

NATION'S BUSINESS



FEBRUARY • 1936

**Wanted: A Second Declaration
of Independence**

By C. Reinold Noyes

The "Plight" of the Rails

By John J. Pelley

The Government Scatters Culture

275,000 CIRCULATION

**PUBLISHED BY THE CHAMBER OF COMMERCE
OF THE UNITED STATES • WASHINGTON**

Expense Account

ONE MAN, ONE TELEPHONE, ONE MORNING

TUESDAY, 14th

TONAWANDA, N. Y. \$1.35*

Called Cummings of Consolidated. He was a little sore about slow delivery on last order. Smoothed that out; sold him a car-load of southern pine.

LOUISVILLE, KY. \$2.35*

Missed Jim Thompson down there last week. Figured his outfit must be running low on special trim and moldings. Gave him a call and got a nice order that might have gone to the next salesman who walked into his office.

SCRANTON, PA. \$.65*

Had a hunch and called McKay Company. They were hunting a special wallboard for hurry-up concrete construction. Arranged to rush 7000 square feet of our No. 835FC direct from mill. Makes me solid with old man McKay—and a neat commission besides.

HARTFORD, CONN. \$.95*

Planned a quick trip to see Sullivan about our hand-split cedar shingles. Telephoned first and found him out of town. Saved myself a useless visit and made a definite appointment for next week.

BALTIMORE, MD. \$.60*

Post-card query came this morning. Didn't sound so hot, but I followed up by telephone. New customer and \$3400 order fell into my lap. I got there first!

* The three-minute daytime rate for station-to-station calls from Philadelphia.



Washington Cab-Drivers Prove that Plymouth Costs Less to Run!

30% OF CAPITAL'S LOW RATE TAXICABS ARE PLYMOUTHS!



WASHINGTON, D. C., cab-riders find taxi rates are phenomenally low.



DRIVER FRED HOUSE picked a 1936 Plymouth because of its economy.



CAB MEN CALL PLYMOUTH CARS "good bookers"—which means that they attract extra business. Washington likes cabs with the safety, comfort and smart appearance of big, new 1936 Plymouths.

A CERTIFIED INTERVIEW WITH THE CITY CAB ASSOCIATION, WASHINGTON, D. C.

VISITORS TO WASHINGTON marvel at the fine taxi service...and low rates. They see the high percentage of Plymouth cars in Washington's taxicab service. Registrations today show almost every third taxi is a Plymouth.

Plymouth's economy is the answer... gas and oil economy... low upkeep... ability to stand up under the grueling punishment of big-city cab service.

General Manager Harry Wechsler, of the City Cab Association, says: "We find Plymouth has the operating economy necessary to give good cab service at

Washington's low rates. More than half our cabs are Plymouths."

Garage Superintendent Seigel, who estimates that City Cabs do fourteen million miles a year, reports: "Our Plymouth drivers get around 18 miles to the gallon of gas—in city traffic."

In Washington, D. C., they know a Plymouth costs less to run. Compare "All Three"... and find out for yourself Plymouth's famed safety, reliability and comfort... as well as economy! See your Chrysler, Dodge or De Soto dealer.

PLYMOUTH DIVISION OF CHRYSLER CORP.

Ask for the New
Official Chrysler Motors
Commercial Credit Company

6% TIME PAYMENT
PLAN

You can figure it out for yourself.

- 1 Start with your unpaid balance.
- 2 *Then add insurance cost.
- 3 Then multiply by 6%—for a 12 months' plan. One-half of one per cent per month for periods more or less than 12 months.

*In some states a small legal documentary fee is required.

NO OTHER CHARGES

\$510

AND UP, LIST AT FACTORY, DETROIT
SPECIAL EQUIPMENT EXTRA

PLYMOUTH BUILDS GREAT CARS



**RESOLVED TO CUT
OPERATING COSTS
IN 1936 WITH
Firestone
GUM-DIPPED TIRES**

WHETHER you operate one truck or one hundred, decide now to lower your operating costs for 1936. Put Firestone Gum-Dipped Tires on every wheel. They will save you money and give you more dependable service.

The body of a Firestone Tire is built with Gum-Dipped High Stretch cords. That's why they run cooler and give you longer mileage.

The heavier, more rugged tread is securely locked to the cord body by two extra layers of Gum-Dipped High Stretch cords. These are patented Firestone construction features not used in *any other tire*.

Equip now with Firestone Gum-Dipped Tires and start cutting your operating costs today. The nearby Firestone Auto Supply and Service Store or Firestone Tire Dealer is ready to serve you.

Listen to the Voice of Firestone featuring Richard Crooks or Nelson Eddy—with Margaret Speaks, Monday evenings over Nationwide N. B. C. — WEA Network

"ACRES OF DIAMONDS"

for those with *the power to See!*



YOU will recall that soul stirring story "Acres of Diamonds" by Russell H. Conwell, telling of the Persian who sold his farm that he might travel to seek his fortune. He wanted diamonds, and the power diamonds would give him. And, on the very farm he had left, the new owner found diamonds which led to the development of the fabulous Golconda Mines.

A strange tale? An extraordinary incident? Not at all. Its counterpart is found today in thousands of companies, large and small, who uncover "Acres of Diamonds" within their own business.

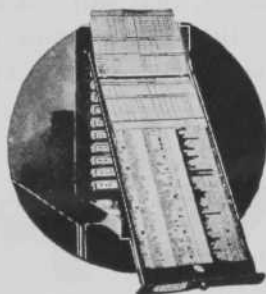
"Acres of Diamonds," you'll find them in every department of your business.

Are your products, territories, salesmen, yielding their fullest potential profits? Is the Credit Department keeping down past due accounts to a minimum? Is your inventory

free of costly surplus? Do your purchases reveal possibilities of saving money? In these, and other departments, are the "Acres of Diamonds" now awaiting development for profits.

"Acres of Diamonds" in your own business! In your own records! More than 80,000 companies have found in Acme Visible Equipment when applied to their records, the power to SEE profits and effect savings, previously overlooked.

If you are an executive, and if you would like to renew your acquaintance with "Acres of Diamonds," I should consider it a privilege to send you a copy of the book with my compliments—in the belief that it will help to stimulate and inspire the power to see "Acres of Diamonds" in your own records.



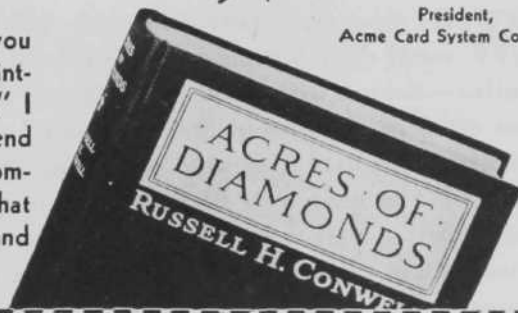
The ancient Buddhist said, "Here is a diamond." "Oh no, that is nothing but a stone we found in our own garden." "But," said the other, "I tell you, it IS a diamond." Thus was discovered the most magnificent diamond mine in history—Golconda.
from the book "Acres of Diamonds"

EXECUTIVES

... I want you to accept this full-sized (186 page) book with my compliments.

W. Johnston

President,
Acme Card System Co.



ACME CARD SYSTEM COMPANY N. B. 2-36
2 50. MICHIGAN AVENUE, CHICAGO

Please send me a copy of "Acres of Diamonds" without obligation—I am attaching this coupon to my business letterhead.

NAME _____

TITLE _____

FIRM _____

ADDRESS _____

CITY _____ STATE _____

ACME CARD SYSTEM COMPANY

World's Largest Exclusive Manufacturer of Visible Record Equipment

Let's look at the record

The following tabulation shows the percentage of cast iron pipe used in the water distribution systems of the 15 largest cities in the United States as reported by their Water Departments.

CITY	PERCENTAGE
New York	97.2
Chicago	100.0
Philadelphia	98.3
Detroit	98.7
Los Angeles	74.0
Cleveland	98.9
St. Louis	98.7
Baltimore	99.7
Boston	99.8
Pittsburgh	97.9
San Francisco	76.8
Milwaukee	100.0
Buffalo	99.8
Washington D.C.	98.8
Minneapolis	95.8



95% of the pipe which distributes water to the 24 million residents of our 15 largest cities is Cast Iron Pipe

WHY does New York City with 4600 miles of water distribution mains—Chicago with 3700 miles—Boston with 1000—and the 12 other largest cities in the United States—depend almost exclusively on cast iron pipe for water distribution mains? The answer is ultimate and unquestioned economy. A cast iron pipe line can be relied on to continue in service for generations after the bonds issued to pay for it shall have been retired. Cast

iron pipe is the standard material for water mains. It costs less per service year and least to maintain. Its useful life is *more than a century* because of its effective resistance to rust. It is the one ferrous metal pipe for water and gas mains, and for sewer construction, that will not disintegrate from rust.

For further information, address The Cast Iron Pipe Research Association, Thos. F. Wolfe, Research Engineer, 1014 Peoples Gas Building, Chicago, Ill.

CAST IRON PIPE

METHODS OF EVALUATING BIDS NOW IN USE BY ENGINEERS



RATE THE USEFUL LIFE OF CAST IRON PIPE AT 100 YEARS

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VOLUME 24

NUMBER 2

NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE UNITED STATES

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The word "MUTUAL" on your Fire Insurance Policy

MEANS MONEY IN YOUR POCKET . . . AND SAFETY FOR YOUR PROPERTY

Why should fire insurance be such a misunderstood subject for so many people . . . even for business men? It's a simple subject, after all.

In its plainest terms, the purpose and intent of Mutual fire insurance is to provide every possible benefit for the policyholder at the lowest possible cost.

There are no stockholders in a Mutual fire insurance company. The profits and the savings accruing from sound, successful management belong to the policyholders.

Every policyholder, without exception, is actually part-owner of his Mutual fire insurance company. He has a vote in the election of the company's directors. Conservative management assures him prompt and full payment of losses from more than ample legal and voluntary reserves. The fundamental soundness of Mutual fire insurance is based on careful selection of risks, intelligent fire-prevention work, ultra-conservative investments and unusual economy in operation.

These are the reasons why Mutual fire companies, in addition to building legal and generous voluntary reserves, have been able to maintain a 184-year record of stability, and to distribute millions of dollars every year as savings, *not* to stockholders, *but* to policyholders.

Mutual fire insurance has the longest record of stability of any type of insurance carrier. The records of almost two centuries of successful operation are available to prove this. And these last few years of depression offer even stronger tangible testimony to the soundness of the Mutual principle in fire insurance, in the fact that more than \$135,000,000 has been refunded by the 75 members of the Federation of Mutual Fire Insurance Companies on premiums to policyholders in the past ten years.

Write for our free booklet entitled "Mutual Fire Insurance." There is no obligation.

**FEDERATION OF
MUTUAL FIRE INSURANCE COMPANIES**
230 N. MICHIGAN AVE., CHICAGO



This seal identifies a member company of The Federation of Mutual Fire Insurance Companies and the American Mutual Alliance. It is a symbol of soundness and stability.



MUTUAL FIRE INSURANCE

An American Institution

WHY THEY USE ALLEGHENY STEELS

School of Experience

VERY PROPERLY, the public career of the Allegheny family of corrosion and heat-resisting steels started in small ways, and in only a few of the many industries that now regard them as essential materials.

They crept before they tried to walk; while Allegheny research men, working with early fabricators and users of the steels, amassed a huge fund of knowledge and experience against the future. It was a slow process, and expensive; but it is an obligation that the conscientious pioneer must assume, and one that returns liberal dividends both to producer and user in later years.

During this formative period, spurred on by an ever-increasing and broadening demand, the various Allegheny Stainless Steels were developed and perfected. There is a grade now to meet any and every requirement of corrosion and heat resistance. For special needs, there are even grades within grades; and the problems of fabrication, heat treatment, etc., also have yielded their secrets.

To those who contemplate the use of stainless steel in modernizing their products or improving their equipment, it should be remembered that many chemical and physical factors must receive careful study before *any* stainless steel is specified for a given job. The members of this group of steels exert many and different properties; selection is a matter for expert guidance.

We submit that the knowledge and experience of the pioneer should weigh in the balance on the side of Allegheny Stainless Steels, coupled with the fact that these famous metals have proved their calibre in the infallible test of time.

.....

ALLEGHENY METAL—the time-tested stainless steel of universal application — is a product of **ALLEGHENY STEEL COMPANY**, Brackenridge, Pa.; which also manufactures electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Son, Inc. Warehouses, by Union Hardware & Metal Co., Los Angeles, and by American Brass & Copper Co., San Francisco, Oakland.

Allegheny Metal is licensed under Chemical Foundation patents 1,316,817 and 1,339,378.

ADVERTISEMENT

Through the Editor's Specs

So this is business!

LEAD cuts its price, attacks the notion of excessive weight, and girds for a bigger slice of the roofing market in competition with wood and asbestos shingles; felt, gravel, and slag; spanish tile and shingle tile, and slate.

Crêpe paper combines with metallized flat papers to produce brilliant brocade-like fabric. Drapes with no tendency to form straight folds. Paper-like in manufacture, cloth-like in properties. Looks like a change maker for the window dresser's art.

"Baby" oil, a blend, antiseptic, nonrancid, nonirritating, a lively contestant for the packaged talcum market.

Bark, stripped from stacks of pulpwood, molded under high pressure and heat, yields dense product suitable for factory floors, trucking aisles, shipping platforms, desk, table, and counter tops, and electrical panelling.

Automobile financing plan for use of commercial banks says banks have overlooked inviting field for loans, have lent depositors' money to finance companies at one per cent only to see it lent back to same depositors as car buyers, at anywhere from six per cent to 20 per cent. New competition for organized commercial credit?

Volts for women

ONE of the wonders of these wondrous times is the apparent indifference of the professional forest conservationists to the daily ration of pulpwood required for the federal public information services. Nothing if not prolific are these expositors of government policy. How hopeless the thought of stemming the swelling tide of authoritarian literature is revealed in the recent resort to new techniques. For example, the sob-sister method of Polly Power in "Farm Chats About Electricity." She writes:

The business of helping to extend electricity to farm families who are without it becomes inspiring after chats with farm women, to whom it means so much. Recently I stopped at the Moore farm. . . . The white house perched on the top

of a little knoll. . . . Two of the children playing about. . . . We got to talking about the vicissitudes of life. . . . I thought to myself. . . . Surely the Rural Electrification Administration, taking electricity to so many more farms, is going to make a lot of people happier.

Among them, comments a long suffering editor, will not be included those unfortunates (there must be one or two in every editorial office) whose desks are appointed to receive the paper deluges of publicity and propaganda which pour from every Washington bureau these days more fiercely than typhoon waves broke upon the mutinous *Bounty*.

"Iron whims" of trade

IN ALL ages men have phrased their belief in the enduring worth of a good name. On January 24 the Chinese new year began. Wherever the people of that race live and trade, they must square accounts or "lose face." As millions of individuals seek to affirm their commercial integrity, the unanimity of action defines a sizable force in the world's monetary currents. What customs of this sort signify to international banking, the Irving Trust Company of New York takes occasion to suggest in an advertisement. In part, the text reads:

The Hindu astrologers of India select a propitious time for marriages, and a concentrated buying of gifts results. Fear of war or inflation grips a foreign nation, and the citizens import American currency. A monsoon fails, drought follows, and money flows out of the East. A trade agreement is signed . . . an investment opportunity arises . . . gold is shipped . . . somewhere money rates decline. All these events affect foreign exchange. It is sensitive to manifold influences, some immediate and some unbelievably remote.

Business, as its practitioners, if not its critics, inevitably discover, requires a broad knowledge of the world and its variegated ways.

Farm relief à la New York

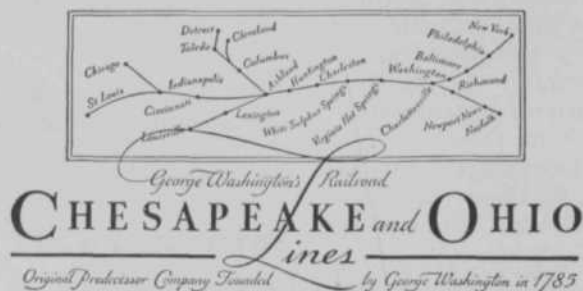
AT 150th and Exterior streets, the Bronx, in New York, is the only bar in the city which can go around the clock on its liquor license. As report-



MR. U. S. TRAVELER has gone courtin'! And his wife isn't a bit jealous—because it's sleep he's wooing and Chessie's his charmer. So it's a "greenhouse full of orchids" to "America's Sleepheart"—and a ticket for him on Chesapeake and Ohio Lines. Will his quest be successful? You can bet your life it will! For never yet has Chessie let down anyone who wanted to SLEEP LIKE A KITTEN in supreme comfort. Find out for yourself sometime. You'll find her address below.

THE GEORGE WASHINGTON • THE SPORTSMAN • THE F. F. V.

The Ticket Agent of Any Railroad Can Route You on The Finest Fleet of Genuinely Air-Conditioned Trains in the World. Insist Upon It!



"A-L-L A-B-O-A-R-D The George Washington!"—ST. LOUIS—Union Station. CHICAGO—12th Street Central Station. INDIANAPOLIS—Union Station. LOUISVILLE—Central Station. CINCINNATI—Union Terminal. WASHINGTON—Union Station. PHILADELPHIA—Pennsylvania R. R. Stations. NEW YORK—Pennsylvania Station.

ed by the *Sun*, the building which houses the bar, cafeteria and dining room represents a part of the \$1,500,000 spent by the La Guardia Administration in an effort to make the farmers' market pay.

As a partner with the private corporation operating the tavern, the city receives a percentage on the gross income, the bar doing twice as much business as the restaurant. For its monthly "take," the city figures about \$1,000.

Other improvements traceable to federal and city funds include a dock, railroad tracks, a square for parking, wholesalers' stalls, and a lodging house where the farmers can sleep for ten cents a night. The total investment of taxpayers' money in the market is put at more than \$18,750,000. That figure does not include the loss of interest and maintenance charges for the past six years.

Like the busman on holiday, liquor men from other parts of the city drop in to test the timelessness of the 24-hour bar and size up the sales appeal of the new competition. Not the least reported filip to their surprise is the "ritzy" layout the city has helped to finance for the farm trade. Agricultural relief in an urban setting should seem no paradox when it manages to tap the city treasury for rural irrigation projects.

Taking the sting out of death

SUGGESTED model for official conduct from Epictetus for those members of Congress who feel the imperial rod and fear political death:

When the Emperor Vespasian sent for Senator Helvidius to forbid his going to the senate he answered:

"It is in your power to prevent my remaining a senator, but so long as I am one I must go."

"Well, then, at least be silent there," said the Emperor.

"Do not ask my opinion," he replied, "and I will be silent."

"But I must ask it."

"And I must answer what appears to me right."

"But if you do I will put you to death."

"Did I ever tell you that I was immortal? You will do your part and I mine. It is yours to kill, mine to die intrepid; yours to banish, mine to depart untroubled."

A multitude of mappers

WHY a country that is skeptical of planned economy should put its faith so wholeheartedly in a mapped civilization is less contradictory than complimentary. Life as it is lived today is much in need of maps. Nobody can buy or sell a plot of land, build a railroad or a highway, sail a ship or fly an airplane, lay out a power line or locate a radio tower, or even fight effectively in war without maps. Reason enough for the intensive

study of mapping by a committee of the President's Science Advisory Board.

Money is lost and working efficiency is diminished as matters stand now, says the committee's report, because of the multiplicity of surveying and mapping agencies of the federal Government. Twenty-eight separate bureaus and agencies are working independently of each other in making and using maps. Where two or more of these units have to go over the same ground, they unnecessarily but unavoidably duplicate each other's work; and frequently the quality of the work of each one is impaired because limited means necessitate hasty work or the employment of inadequately trained personnel.

As remedy, a central agency is proposed. Putting places on the map is an old American custom. To have it turn out scientifically that there are too many public mappers is a revelation which provides its own recommendation, but when they are consolidated you may draw on us the price of a year's subscription.

A Bertillon for profit

WHERE is profit? cry business men. Why is profit? shout social levelers. What happens when profit fades is told in Paul Cherington's "People's Wants And How to Satisfy Them." Capital impaired, workers in distress, markets destroyed. Thoughts for these topsy turvy times:

Profit needs no apology. It is to be fought for as a matter of economic life and death.

Below a point, easy to know, reducing prices will not attract new business.

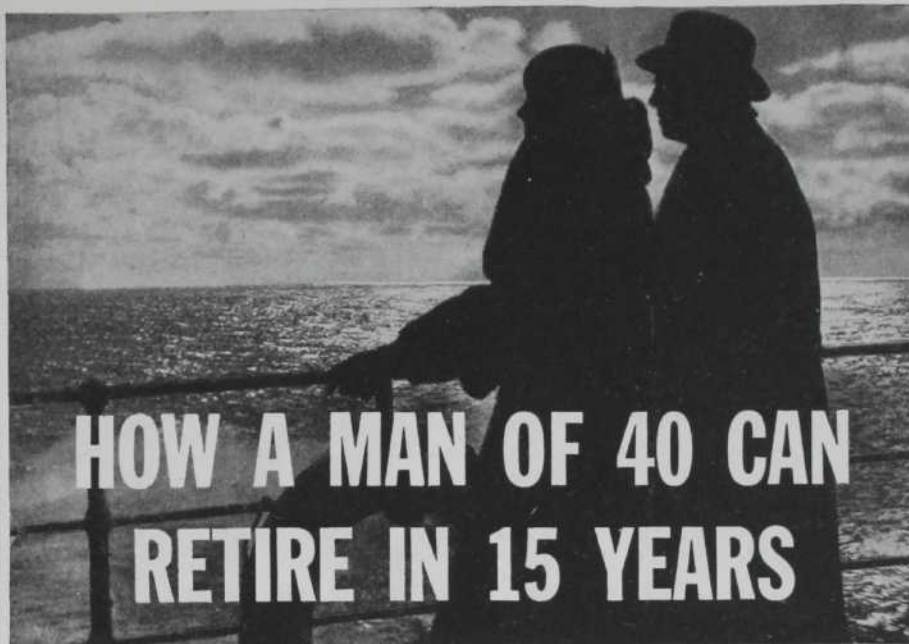
Below a point, also easy to know, reducing prices will result in decreased buying power through wage shrinkage.

Any concern whose prices result unsatisfactorily for investors, labor or customers needs a broader basis for its pricing. True for distributors as well as producers.

Birthday of a train

FOR public services, hotels, and even sports in a capital city to take their names from political distinction is orthodox enough by the very eloquence of proximity. How one of the nation's crack trains got its name and fame is a moving tale in itself. In December the Pennsylvania's swanky Congressional, operated on the New York-Washington run since 1885, observed its golden birthday anniversary. Now, the sleek electrified flyers in the two-way service do the 225 miles in 225 minutes, including six intermediate stops, a cut of two hours from the first schedule.

Slow-paced as the life of the '80's may seem today, there were men who wanted swifter passage between the



IT makes no difference if your carefully laid plans for saving have been upset during the past few years. It makes no difference if you are worth half as much today as you were then. Now, by following a simple, definite Retirement Income

Plan, you can arrange to quit work forever fifteen years from today with a monthly income guaranteed you for life. Not only that, but if you should die before that time, we would pay your wife a monthly income as long as she lives.

\$200 a Month beginning at age 55

Suppose you decide that you want to be able to retire on \$200 a month beginning at age 55. Here is what you can get:

1 A check for \$200 when you reach 55 and a check for \$200 every month thereafter as long as you live.

This important benefit is available alone; but if you are insurable, your Plan can also include:

2 A life income for your wife if you die before retirement age.

3 A monthly disability income for yourself if, before age 55, total disability stops your earning power for 6 months or more.

This Retirement Income Plan is guaranteed by the Phoenix Mutual, a company with over half a billion dollars of insurance in force and a record of more than 75 years of public service. If you want to retire some day, and are willing to lay aside a portion of your income every month, you can have free-

dom from money worries. You can have all joys of recreation or travel when the time comes at which every man wants them most.

The Plan is not limited to men. Similar plans are available to women. It is not limited to persons of 40. You may be older or younger. The income is not limited to \$200 a month. It can be more or less. And you can retire at any of the following ages that you wish: 55, 60, 65, or 70.

What does it cost? When we know your exact age, we shall be glad to tell you. In the long run, the Plan will probably cost nothing, because, in most cases, every cent and more comes back to you at retirement age.

Write your date of birth in the coupon below and mail it today. You will receive, without cost or obligation, a copy of the interesting illustrated booklet shown at the left. It tells all about the Plan. Send for your copy now. The coupon is for your convenience.



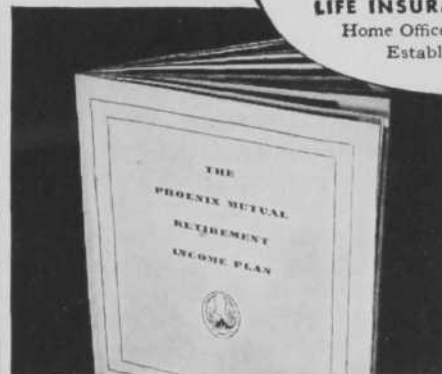
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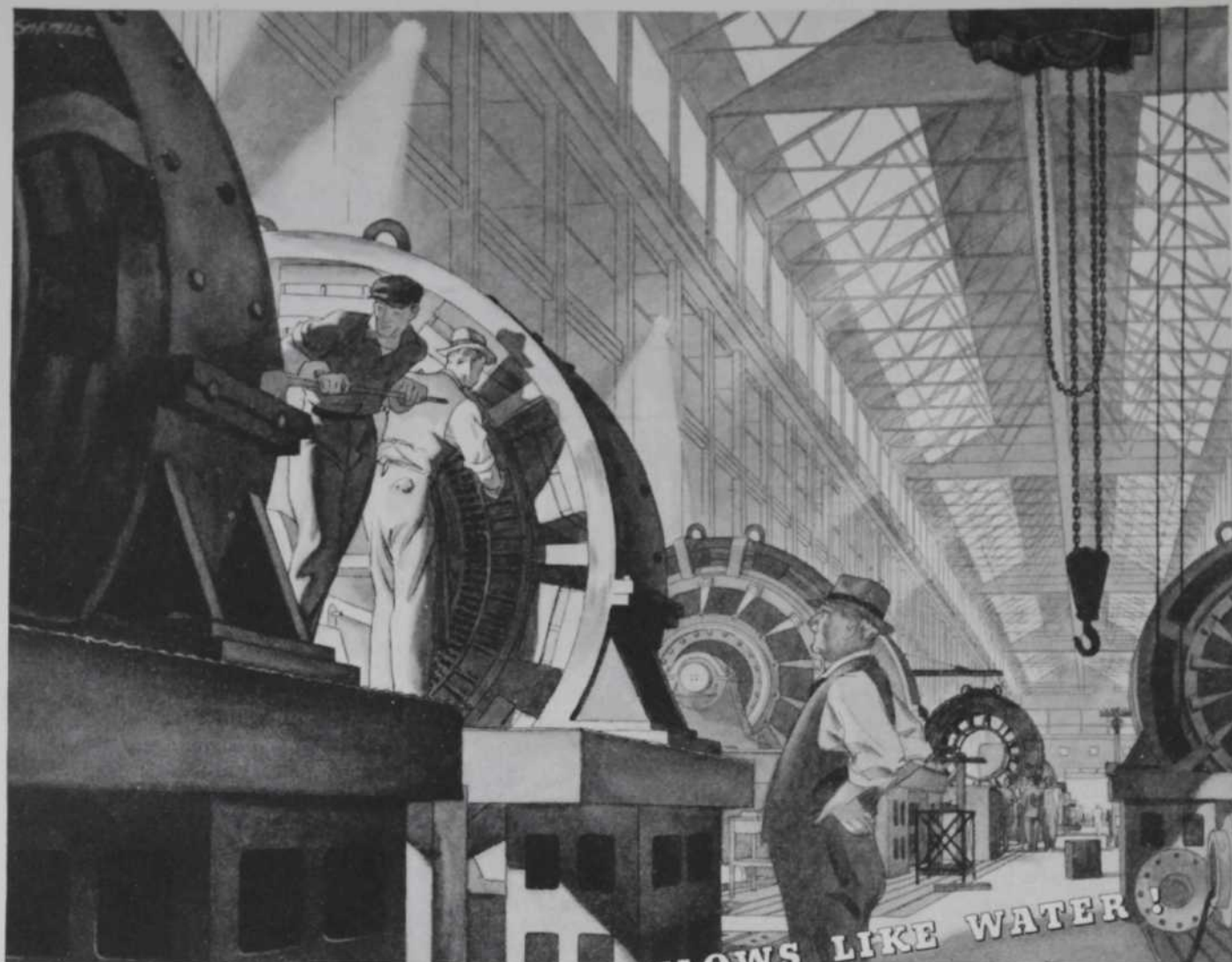
Established in 1851

PHOENIX MUTUAL
LIFE INSURANCE CO.
963 Elm St., Hartford, Conn.

Send me by mail, without obligation,
your new book describing THE PHOENIX
MUTUAL RETIREMENT INCOME PLAN.

Name _____
Date of Birth _____
Business Address _____
Home Address _____





FROM WHICH STEEL FLOWS LIKE WATER!

Seldom seen by a layman-explorer in the land of Steel, are its tiled-floor citadels of power—vast motor rooms where rivers of electrical energy surge forth to turn gigantic wide-strip mills from which steel flows like water.

For a dozen of these most heavily powered mills, supplying sheets to make all-metal bodies for the modern automobile, Westinghouse has furnished motors, motor generator sets and other vital power and control apparatus.

Nor is it by mere coincidence that Steel looks to Westinghouse for a substantial share of its electrical requirements. The first electric motor ever to be installed in a steel plant was built by Westinghouse! The first main-roll drive, the first reversing mill equipment, the first A. C. adjustable speed set, the first fabricated D. C. Motor... these among other feats of steel mill motor engineering Westinghouse pioneered and sponsored. With every new



A production aisle in the Westinghouse shops at East Pittsburgh, manufacturing motors and motor generator sets for mammoth hot strip mills.

advance, not only in steel processing but throughout the whole broad field of industrial electrification, Westinghouse has been closely identified.

Such an identity is typical of Westinghouse enterprise over 50 years in many fields... requiring the utmost in engineering vision, large-scale manufacturing facilities and a constantly ripening experience. Westinghouse Electric & Manufacturing Company, East Pittsburgh, Pa.

50 YEARS OF GROWTH



AND ACHIEVEMENT

metropolis and the capital. The Congressional is a "by request" train. Northbound, it used to pull out of Washington at 3:50 p. m., near the end of the government day. It quickly became a mobile conference room for powerful heads and rapid transit for the seats of the mighty.

Why the members of "the greatest deliberative body in the world" should have put such a premium on time—for the train originally was extra fare—is no riddle when viewed in the broader perspective of the Congressional's all-American patronage. Fifty-years' precision of performance provides its own useful distinction between speed and haste.

German pills for U. S. ills?

SCOLDING the American people for "backwardness" in tackling the job of brother-keeping on a national scale has a way of exalting foreign dispensations to the shame of domestic providence. A voice of dissent is raised by Willard C. Rappleye, dean of the College of Physicians and Surgeons, Columbia University. Sickness insurance and other such devices used in Europe do not answer the questions of medical science in America, the Dean believes. Specifically, he reasons:

The first programs of sickness insurance were worked out 50 to 60 years ago, before the hospital, laboratory, and other present-day facilities existed, and when most of the medical care was provided by the general practitioner.

It has frequently been suggested that the United States should adopt one or another of the plans [of sickness insurance] which have been used abroad. It does not follow that a satisfactory solution for the situation in Germany in 1881, for example, is the program which should be applied in the United States in 1935.

Thoughtful observers in this country believe that it would be desirable and wise to solve this problem on a basis which would be better adapted to our own institutions and social organization, rather than the imposition of a program which may be in operation in some other country.

Wise as this counsel may be, acceptance is complicated with the rugged emotionalism radiated by a bumper crop of demagogues.

As long as the idea of being a friend to man is articulated through political spokesmanship, expediency will always show its heels to deliberation.

When a camel needs a friend

MILLION dollar incomes were off 14 in 1934 from the 46 reported to the Treasury for 1933.

How the "soak the rich" policy is working through the boost of surtaxes can be read from the official figures, now looking a bit pale

against the robust total of 513 reported in the highest bracket for the meaty year 1929.

The fact that this year the Treasury will require returns in duplicate should make the citizen doubly tax-conscious. That decision was made, according to Guy T. Helvering, commissioner of internal revenue, to lighten the burden imposed on tax collectors by an amendment to the Revenue Act of 1934 which makes income tax returns available to tax collecting units of states and their political subdivisions.

Easing the burden on collectors is likely to strike taxpayers as relief that ignores their own predicament. To be made to feel that their own backs had no load limit might well be the last straw.

Textiles on the wing

WHAT the establishment of mid-Pacific hotels for air passengers means to a business in southeastern United States is disclosed in an order for Cannon towels, sheets, pillow cases and bedspreads. Guam, Wake, and Midway islands are on the route of the new flying boat service envisaged in the pioneer flight of the lordly *China Clipper*. Units of the new seaboat line are designed to sleep 18 persons on first leg of trip, San Francisco to Honolulu. Rest of route is covered in day jumps with island night stops. There's the need for textiles used in public housekeeping. Wings over the Pacific keep industrial wheels a-going on North Carolina ground.

A footnote to folly

NIRA, a stop on the Rock Island, is now minus its station. Sold by the railroad to an Iowa farmer, the structure was to be moved to his farm. Nira's 20 residents were not downhearted. John Whetstine, 87, spoke their minds. "We got along before we had a depot," he said, "and we got along before NRA. In fact, all it did was to clutter up the place with stamp collectors."

Taffy or epitaph?

ON THE stern granite over the main Fifteenth Street entrance of the block-square Commerce Department workmen have re-visualized the chiseled encouragement, "Commerce defies every wind, outrides every tempest, invades every zone." However well business has kept its course against the gales of authoritarian eloquence, the idea of forcing its way into political zones of silence exalts its powers too far. Gag rule still defies all commercial penetration.



When notes are blue, and pretty hot too,
They've got to be true—or be awful!
A trombone slide must easily glide
Or notes may betide most unlawful!

YES, indeed! Tooting a bit of modern high speed jazz, a good "hot" trombone player often shoots the slide back and forth 25 feet a second. With clearance of .003 inch this slide has to float on a perfect oil film. Much of the trombone lubricant used is sold by C. G. Conn, Ltd.—and made with Standard Oil (Indiana) products.

Few lubrication problems are like this one. In fact most lubrication problems present their own individual differences. That is why the method of buying lubricants for industrial use has rapidly changed.

Today, Standard Oil (Indiana) Engineers, lubrication specialists, can be called into any plant in 13 Middle-western states on a moment's notice. They bring valuable experience and information to men in the plant, and help to overcome careless and wasteful oiling methods. The plants they serve get effective, low-cost lubrication—not merely pounds of grease and barrels of oil—for their money.



ONE of these engineers recently ran a test on two Diesel engines in a flour mill—a test, using Nonpareil Diesel Oil, which resulted in a saving of \$8.00 per 24-hour day.



AN automobile parts manufacturer, although satisfied with the performance of Standard (Indiana) cutting oils in use, let the Standard Oil engineer make a 3-month test after adopting improved practices. This showed that a saving of \$350.00 per month could be made on cutting oil purchases and set a new record for tool life. "By! that's service," said the superintendent. It's the kind of service you'll get when you call your local Standard Oil (Indiana) office.

Write for these, or similar booklets covering specific lubrication problems. Standard Oil Co. (Indiana), 910 S. Michigan Ave., Chicago, Ill.

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| <input type="checkbox"/> "The Lubrication Engineer—His Value to You" | <input type="checkbox"/> "Lubrication in Grinding Operations" |
| <input type="checkbox"/> "Diesel Cylinder Lubrication" | <input type="checkbox"/> "Lubrication in Gear Cutting Operations" |
| <input type="checkbox"/> "Lubrication of Air Tools" | (264) |

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STANDARD OIL COMPANY
(Indiana)

CORRECT LUBRICATION

* Listen to Jack Hylton on your Radio Every Sunday Night at 9:30 (C. S. T.)

"Prosperity is a great teacher; adversity is a greater!"

LOOK about you; you can see this nation summing its energies now for real recovery and the next advance.

Sustaining that change are the accomplishments of enterprising, courageous men and businesses who seek to *compel* sales by force of new products, new services, new values.

Goodyear may justly claim a place in the ranks of those who have dared to move forward during the recent dark years.

It has brought into being in those years a greater variety and range of new products and product-betterments than in any similar bracket of time in its history.

As a result, we enter the new era confident in the belief that these new products will merit the interest and approval of quickening markets.

Foremost among them is the new "G-3" All-Weather—the tire that is giving 43% longer non-skid mileage than its famous predecessor—the world's largest selling tire. Then there is the new "G-3" Airwheel* combining the super-softness of the airplane tire with the long-wearing, sure-gripping tread of the "G-3" All-Weather.

Latest among the dozens of new products to emerge from the largest and most progressive experimental departments in the world's rubber industry is the Double Eagle Airwheel* tire—incomparably the safest, strongest, most luxurious tire for modern cars so far devised.

Companioning this outstanding tire, making safe surety doubly sure, is the unique LifeGuard* Tube — the new Goodyear invention that makes

a blowout on a speeding car as harmless as a slow leak.

These extraordinary products—the Double Eagle Airwheel* and the LifeGuard* Tube—are perfected out of a matchless experience in building more than 225,000,000 tires. They bid for your favor solely on grounds of outright quality—their mission is not to save money but to save life.

P. W. Hitchfield
PRESIDENT,
THE GOODYEAR TIRE & RUBBER COMPANY, INC.



BETTER TIRES for BETTER TIMES

Goodyear greets the promise of reviving business with this array of new and improved products, developed out of resolute application in its experimental laboratories during the dark days of the recent depression

DOUBLE EAGLE AIRWHEEL
(new high speed super-quality tire)

LIFEGUARD INNER TUBE
(eliminates blowout danger)

"G-3" ALL-WEATHER
(43% longer non-skid mileage)

PATHFINDER
(improved first line economy tire)

NEW "G-3" AIRWHEEL
(super-soft—for airplanes and motor cars)

STUDDED TIRE
(pulls through snow or mud without chains)

STOP-START TIRE
(for frequent-stop delivery service)

LUG TIRE
(for off-the-pavement operations)

NEW FARM IMPLEMENT TIRE
(increases tractor efficiency 25%)

DUMP TRUCK TIRE
(extra sidewall protection, plus grip and power in soft ground)

INDUSTRIAL PNEUMATIC TIRES
(for all types of plant equipment)



A Look for the yellow valve stem and blue cap
B LifeGuards* take a little longer to inflate because air passes gradually from "inner tire" to outer tube through this VENT HOLE
C On this two-ply "INNER TIRE" you ride to a stop with car under control, even though casing and outer tube blow wide open

*AIRWHEEL is Goodyear's trade-mark, registered in the U. S. A. and throughout the world, and is used to denote that Goodyear is the exclusive maker of AIRWHEEL Tires

*Trade-mark Reg. U. S. Pat. Office

THE GREATEST NAME IN RUBBER

GOODYEAR

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

NATION'S BUSINESS

★
A MAGAZINE
FOR
BUSINESS MEN
★

Which Road?

THE New Year report of recovery is heartening even to a business world growing accustomed to official scoldings for its derelictions. Why is it necessary to temper the welcome of good news by heaping acid reproach upon those to whom the country must look for the enterprise and sustenance of its prosperity?

Since the indictment does not specify, the sweeping generality puts all men under suspicion. The self-reliant citizen who has managed to make things go despite the crushing impact of hard times, and the disturbing muddling of government, him it blankets with opprobrium along with the lawless and the antisocial.

It does not take a partisan eye to observe that the confidence of men of good will vacillates between hope and fear. Caution rules. The mercurial sensitivity of trade unhappily turns upon the alarming ambiguities issuing from Washington. The drill sergeants of the New Order are tough and use picturesque invective. Fortunately, where abuse has come to be expected daily, there is less and less shock. Yet even the hardened realists who were a bit skeptical of the "breathing spell" were surprised at the hostility broadcast in the reproaches of "entrenched greed," "selfish power," "economic autocracy," "money changers," and the like.

Happily, the indications are that the sound and fury may have an effect opposite to that intended. When we are warned that these industrial public enemies "offer to lead us back around the same old corner into the same old dreary street," it brings to a focus two streets, the one we have travelled, and the proposed unknown.

Memories are short, but not too short to recall that travelling the well known street the American people have advanced their culture and well-being at a speed reminiscent of an Aladdin's Lamp tale. Along this street, Americans have gained refinements of living measured by an increase of national income in 30 years

from 15 to 83 billions. The average income per gainful worker stepped up from \$547 to \$1,719. The buying power of this income increased 42 per cent. One family out of 14 in 1890 had individual transportation expressed by a horse and buggy; two out of three families had automobiles 40 years later. Nine times as much spent on the individual for education now as then. It might be debated, coldly, without emotion, that this 40 years on a dreary road had accomplished more for the average man than any previous 400.

But why go on with statistics? The temper of the people is such that figures, like history, simply irritate. Translated, they signify that the service of business to the general welfare, to education, to recreation, to the more abundant life, has brought about the widest diffusion of serviceable prosperity of any land at any time.

True, all Americans did not live on Easy Street, but they did live on a highway of progress, a highway not always straight, but one with no dead end, a broad and inviting thoroughfare with room enough for any energetic and ambitious man or woman, regardless of creed, or race, or heritage, "to go to town."

The objective—general welfare—is not the issue. The issue is, which road will more quickly and surely lead us to that objective? The American people have solemnly designated one road, the road we have come and are travelling. The Supreme Court, under oath, is holding the servants of the people to that highway. The people can by orderly and formal process change the road. The Supreme Court would then likewise hold public servants to the new course.

Any appraisal of the State of the Union must keep in mind the vital fact that the choice of roads—orderly voluntarism or arbitrary regimentation, rests, after all, with the people and not with the political trustees of the moment.

Merce Thorne



**THERE ARE THOSE WHO CARRY THE
TORCH AND THOSE WHO CAST IT ASIDE**

In all the stress of these strenuous days there is need to restate, again and again, the illuminating fact that American Business is essentially fine and high-minded. For all the world it has long carried the flaming torch of integrity. No other country has had its high standard of ethics. No other country has excelled it in the production of honest and superior merchandise. Even today America stands alone in the number of its outstanding successes that have come from the making of conspicuously worthy wares. » » » In stout determination to produce only that which is excellent, and to give freely a nation-wide service of unique character, this company reasserts its tenacious faith in the forthrightness of American Industry. A. B. Dick Company, Chicago.

M I M E O G R A P H





Wanted: A Second Declaration of Independence

By C. REINOLD NOYES

IS this country, which once fought for independence, again bowing down under foreign domination? This writer believes it is and, although our allegiance today is to social philosophies rather than governments, he shows the need of a patriotism as sincere as any we have yet known

FOR THE greater part of the past 35 years the United States has been undergoing a succession of political "reforms" which have cumulatively altered the character of the government which was devised and established by our forefathers, and which presuppose a very different social philosophy from the one they held. But, because this movement has consisted of a series of more or less unrelated steps each of which has been taken on what seemed to be its individual merits, we have never stopped to consider the general direction in which they were leading us; we have never deliberately decided in favor of this creeping revolution as a whole; nor have we ever definitely been "converted" to the new social philosophy.

The movement began, almost unrecognized, in the administrations of Theodore Roosevelt, and it was carried forward in those of Woodrow Wilson; but it has recently gained such impetus—as a result of the docility induced by the disillusionments and discouragements of the depression—that the American people now for the first time have waked up, surprised and even aghast, to see the real meaning of what has been going on and are beginning suddenly to have the sensation of being swept from their familiar moorings.

Now, as we look back, we see that these steps have all had one common characteristic—they have all involved expansion in the functions of Government, which, in the obverse, consists of an encroachment of Government upon the field of private activities, both as a regu-

lator and as a substitute. And we see that the philosophy back of the movement relies for its realization upon compulsory rather than voluntary social cooperation.

Is this new policy what America wants? It is too soon to say. The full implications which it entails are only beginning to be understood. The voters are only beginning to ponder the fundamental issue. But it is not too soon—in fact, it is most opportune—while the jury is still in the box and before the verdict is brought in, to raise a question, the answer to which may, and should, have much weight in determining that verdict. Have we ever frankly recognized the source of the social philosophy which lies back of these reforms, both particular and general? In other words, have we ever stopped to ask to what extent this movement has been the product of American thinking about American conditions or, on the other hand, how far it has been due merely to an unconscious and unresisting acceptance by us of foreign thinking about foreign conditions? This is a large question. It cannot be dealt with adequately in a brief article.

Independent development

SEEN in true historical perspective, it is not too great a simplification to picture our present situation as the resultant of two conflicting forces. From 1700 to about 1900 the young America was gradually developing into a new and really independent nation under the influence of ideas which were original to itself and appropriate to its own special conditions; from 1840 on, the achievements of this civilization were proving more and more a magnet to attract the surplus population of the whole world, until, by 1900, the sheer weight of the tide of immigration began to hinder further progress along native lines and to cause a reversion to a régime of borrowing from the mother countries, which is the customary characteristic of young colonial settlements. Is it only a coincidence that the long succession of "reforms" in the political field, already referred to, should have begun about the same time that this new attitude toward continental Europe was beginning to make itself evident in so many other fields?

There are numerous and striking evidences of this dual process of progressive and native development, on the one hand, and of regressive and alien imitation, on the other. The American scene today is a compound of

features from these two sources; some original, some borrowed; some native, some alien; some grown out of American conditions, some merely imported ready-made from abroad. Two examples of the home-made product—one political and one economic—will have to suffice here.

It should be more generally recognized than it is that, when our Federal Government was formed, there existed no actual model for it in the modern world. As a result, it did not represent the borrowing of a ready-made plan, nor the realization of a theoretical scheme conceived by political philosophers; rather it was the solution of a particular and pressing problem dictated by the practical necessities of the situation. And its growth since has followed the same principles.

Because this essentially American method of working out our social institutions is somewhat inarticulate it frequently happens that some of the important novelties and vital virtues of our system are not recognized nor appreciated. One of our great and most progressive thinkers, John R. Commons, has recently appraised a striking feature of this peculiar form of government—our system of "judicial sovereignty." "Three notable epochs of change characterize the genesis of Anglo-American sovereignty, distinguishable as the periods of executive, legislative and judicial sovereignty."

Government by Constitution

THE first began in England, after 1066, when the king, the executive, gradually became supreme over the hierarchy of officials; the second was the product of the

English Revolution of 1689, as a result of which the legislature came to be supreme over the king, the executive; the third grew out of the judicial construction of the Constitution of the United States which made the Supreme Court literally supreme over all, "the final authority, superior to legislatures, states and executives."

But the third development has been confined to America; for, in England, the legislature still remains superior to the judiciary and, upon the Continent, the very basis of this sovereignty, judicial law-making, is unknown.

In Professor Commons' judgment this unique improvement in the political machinery, made while it was in operation, constitutes a great step forward because "restraint upon the arbitrary will of those in authority . . . goes to the three most fundamental wishes of mankind; security, liberty, equality." Yet we hear how much today of the new fiat or paper schemes of government abroad and how little of this notable improvement in practice at home, which has been quietly evolved in the work-shop of our daily life.

The example in the economic field is better recognized. The industrial technique, known as the Taylor system, was entirely devised here, not learned from abroad. It is often supposed that it has been copied abroad. But "rationalization" in Europe is not the same thing. Rather it is an imitation with the real point left out. Only in Russia, with the spread of Stakhanoffism, is the vital element of this technique now being reproduced. For the



It is time for us to shake off the domination of foreign ideas and to resume our own methods and our

Taylor system is primarily an economizing of work. Its essence is the incentive and the planning which induces and enables the worker to increase his product without increasing his fatigue.

It is that and other similar methods, which have been the foundation of the American peculiarity which I have called the "vertical expansion of the market"; and it is this vertical expansion, in turn, which reflects itself in a standard of living in this country today which far surpasses that of any other time or place. In spite of his extraordinary contribution, has Frederick Taylor as many worshippers in America as Karl Marx?

These are but two of the many great original accomplishments we have to our credit; accomplishments which have been the most potent influences in making the United States by far the leading nation of the world in point of social and economic welfare.

Surrendering our native advantages

THE roots of these accomplishments lie in our own past; they have been slow growths out of the native soil; they are truly American institutions. Yet, in the mood and thinking fashions of these times, these great accomplishments have come to be taken for granted, or made light of, or even criticized. More and more that self-confidence which is the natural attribute of real pathfinders into the way of the future, and which was typical of nineteenth century America, is giving place to

an inferiority complex—to a belief that the only road ahead is the road charted out for us by the example and the programs of Europe.

More and more the grown man is returning to the infantile state and looking to his elders abroad to do his thinking for him. And this change of attitude is curious for several reasons; first, because it has come at a time when this nation has finally and conclusively risen to a position of world leadership; second, because it has come at a time when the nations of Europe are far less enviable than formerly because they are troubled and suffering from the beginning of their inevitable decline in power, wealth and prestige; third, because it ignores both the fact that conditions in Europe are now widely different from those here and the natural inference from this fact, that there is even less reason than formerly to suppose that programs devised in Europe will be suited to conditions here.

That this curiously untimely change in our attitude has occasioned a relapse toward colonialism is readily demonstrable. And because this tendency has worn the mask of progress it has provided foreign ideas with a specious, if ingratiating, prestige. Let us test this conclusion by examining one or two particular cases.

Our first colonists were part and parcel of the movement in England which led to the Rebellion and the beheading of an autocrat, Charles I. Later the united colonists again rebelled, this time against a much mild-

(Continued on page 64)



own goals—our old way of working out and thinking out our problems and our old social philosophy

CHARLES DUNN

The "Plight" of the

By JOHN J. PELLE

President, Association of American Railroads

PRESCRIPTIONS for the "plight" of the railroads are as numerous and various as the ideas of the causes of railroad difficulties. Many of the remedies recommended assume that revolutionary changes in organization or methods must be made by the railroads themselves, or that they must come under elaborate mechanisms of supercontrol. Some are based on the idea that railroads are through and are doomed to disappear, or to linger on in doddering decay, drawing bounty from the taxpayers.

To most of which, as a practicing railroader, I dissent.

Railroads have attained perfection neither in plant nor in methods. Their hindsight is better, sometimes, than their foresight—but in neither of these respects are they unique among human institutions. They are somewhat peculiar among industries, however, in the effectiveness of the public processes which afford an opportunity for any one to advertise what he may consider their shortcomings and mistakes. In consequence, they are peculiarly exposed to the attentions of the second-guessers who can tell them what they ought to have done.

Now let's see what railroads ought to do, what they

OPINIONS as to what the railroads ought to do are not uncommon. According to some of these the railroads are done as agencies of transportation. According to others, the Government must take them over.

We asked a practical railroad man for his opinion and here is his reply, in which he gives his views, not only as to what the roads ought to do, but what they have done and what they are doing to meet present needs



By granting lands then worth about \$125,000,000, the Government added an incalculable value to the lands it retained and at the same time got reduced rates for its hauling

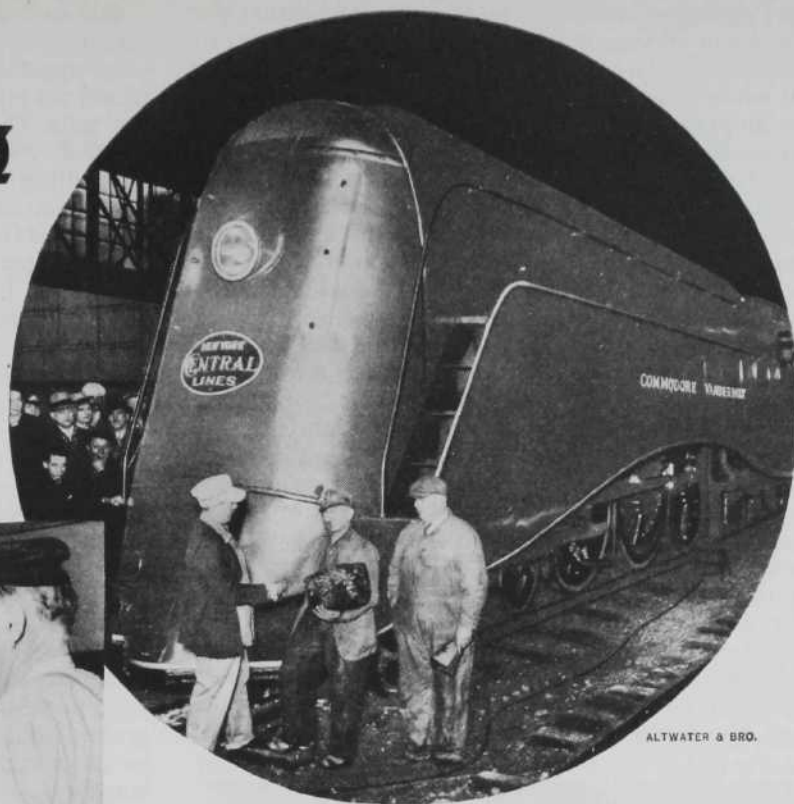
EWING GALLOWAY

Railroads



Railroad safety has reached a point where billions of miles are travelled without passenger fatalities

UNDERWOOD & UNDERWOOD



ALTWATER & BRO.

New type locomotives, new type trains, air conditioning have reawakened public interest

The gain in actual efficiency of railroad operation will compare favorably with that of industry in general.

Sure? Railroads are 365-days-a-year transportation, available in all seasons and all weathers to all alike, on the well understood terms of common carriage.

Swift? Not so swift as some in individual transactions, the railroad is supreme in that scheduled mass movement on which modern business and living are built. Moreover, the whole tempo of rail operation is being speeded up. Recent changes in passenger transportation have attracted wide public attention and response. The same sort of speeding up has gone on in freight service. In the past 15 years, although the use of longer and heavier trains has increased, the average speed of freight trains has gone up by 43 per cent, in itself no small gain in efficiency.

Prepared for its job

ADEQUATE? Long before other agencies of transportation grew to large stature, and before depression had cut the demand for transportation of all sorts, railroads and shippers had cooperated to end transportation shortage. Railroads are not only adequate to do their share of this continent's commerce but are essential if that commerce is to be done adequately and cheaply.

Complete? Railroads, which do the major hauling of the country on their own tracks, are extending their service beyond the rails. Pick-up and delivery, already widespread, is being extended further in every section. Interesting experiments in the use of the Railway Express Agency in handling merchandise freight are under way in important territories. Railroads, in fact, have become major motor operators where such services are helpful in making rail service more complete and satisfactory.

One-fourth the railroad mileage is now in the hands of the courts; three-fifths operated in the red last year. If those facts are due to failure or inability of railroads

have done and what they are doing for themselves. To sum up their whole obligation, they ought to provide transportation—safe, cheap, sure, swift, adequate, complete—combining all of those elements to the highest degree possible under the circumstances of each transaction.

Safe? Railroad safety is taken for granted. Riding the incomprehensible total of 18,400,000,000 passenger-miles on railroads, not a passenger has been killed in a train accident in the past 12 months.

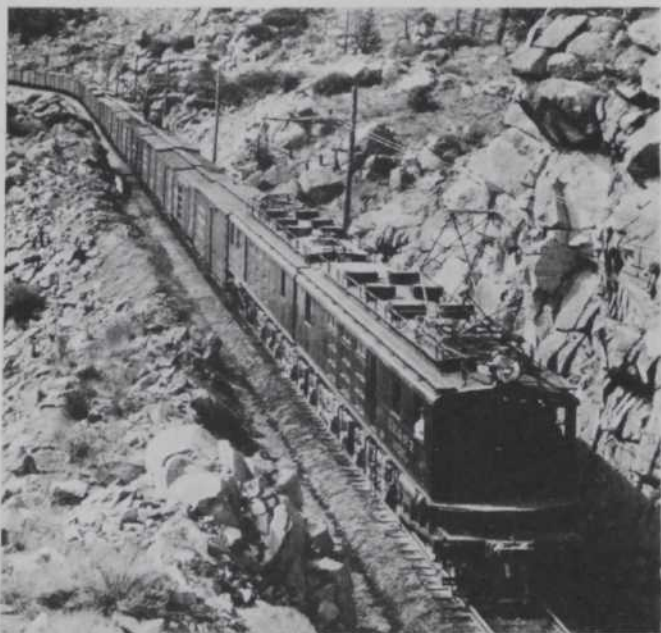
Cheap? Not the cheapest for every commodity over every distance but incomparably the cheapest for the average of all commodities over all distances, railroad transportation has been getting cheaper for 15 years. The average revenue for hauling a ton a mile today is less than one cent, a figure not even approached by any other land transportation. It is, moreover, approximately one-fourth less than it was 15 years ago, a reduction which will compare not unfavorably with the reduction in prices of other materials and services. Passenger fares averaged more than three cents a mile right after the war; today, they average less than two cents. These reductions have been made possible, not by wage cutting, but by investment in better plant and improved methods, resulting in a reduction of the actual cost of doing business. The unit of freight hauling, which cost \$10.78 in operating expenses in 1921, was done in 1934 for \$6.57.

to meet changing conditions by lowering the actual cost of producing service and raising its quality, or if railroads are due to be superseded by new ways of transport which actually are better than the rail way of moving people and things, then indeed railroads are in a plight.

That neither is the case is shown by any real study of the situation. The railroads are producing a better service and selling it at a lower price. Those things which the newer forms of transport can do better than the railroads, they inevitably will do. But no one, not even those who think that railroads are not equal to meeting the competition, suggests that we can dispense with railroads. No one imagines that we can fly all our business, or float it on waters which are useless for a good part of the year because of climate, if for no other reason, or move it in fleets of millions of trucks, even if we had the highways and the trucks.

I have run through these facts to come to a starting point for discussion of the various remedies or recommendations as to what "the railroads ought to do."

First, there is the recommendation that railroads be taken over by the Government. This is not put forward, usually, as a benefit in and of itself. It is offered, rather regretfully, by those who say, in effect, that, since we must have railroads and since railroads cannot meet competition, we must let the taxpayers support them through the Government.



For such a curious "remedy" there is a degree of historical precedent. More than half a century ago it became apparent that improved inland waterway channels would no longer be used if the users must continue to pay tolls. The decision, curiously, was not to stop spending money on channels for the use of which people were not willing to pay, but merely to take off the tolls and so to continue inland waterway transportation at the expense of the taxpayers. If, indeed, railroads cannot succeed because genuinely better ways of transportation have been developed, then to keep them alive by transferring losses to the taxpayers would be only a degree less absurd than the policy adopted as to inland waterway channels.

Equalizing competition

BUT since railroads are not only necessary but are equal to meeting competition on equal terms, the sensible thing seems to be not to subsidize the railroads but to remove the subsidies from other forms of transport, to put them all on an equal footing as to regulation and taxation, and so to let each do the work for which it is best fitted by its own inherent abilities and disabilities.

Our present policy of subsidy to other forms of transport is justified by some, or at least excused, on the ground that it is no more than was done for railroads in their early days. This rather widely held notion is largely based on a misconception of the land grants. The lands granted in aid of the construction of about one-tenth of the railroad mileage of the nation were in no sense gifts. They were trades, and excellent trades they have proved to be for the Government. Granting lands then worth about \$125,000,000, the Government added an almost incalculable value to the lands it retained, and hastened the settlement of the West by a generation. As a part of the trade, it obtained and still gets reduced

(Continued on page 78)

The railroad is supreme in the scheduled mass movement of goods

Of each dollar of gross railroad revenues, 27 cents goes to maintenance



Washington and Your Business

By IRA E. BENNETT, for 25 years Editor, "The Washington Post"

Dear Mac: Out of the confusion and tumult in Washington today one note is clear. You and all other business men may as well get ready to take sides on the big issue that has developed.

It's an irrepressible conflict between two great masses of the people, with both sides agreeing at heart on the objective, but preparing to fight like devils over the method of attaining the objective.

No use trying to brush this question aside by saying it's none of your business. It is your business—it strikes at the heart of every man's business.

The question is whether the people are best served by the present system of government or whether the system must be changed to enable the federal Government to exercise greater power over the people's affairs.

Don't be drawn into passion or personalities in this business, Mac. Try to get at the meat of the question itself. Make allowance for the weaknesses of those who become overheated.

Bear in mind the white-hot passions of Civil War days and take note that the old veterans now agree that both sides fought for what they thought was right.

The Supreme Court Speaks

BEFORE a week of 1936 had elapsed the Supreme Court brought this question to an issue by its decision invalidating the AAA law. President Roosevelt, three days before, announced that the New Deal system of laws would not be abandoned. He challenged the opposition to attempt to repeal them. Three days after the decision he declared that there would be no retreat on his part.

Since the Supreme Court's decisions are annihilating the New Deal laws and in a sense repealing them, the logical immediate outcome is a struggle for a change in the system of government.

President Roosevelt does not demand violation of the Constitution. He does not deny the power and duty of the Supreme Court to pass judgment upon acts of Congress drawn into question in specific cases before it.

Therefore, in order to put into effect his method of reaching the universal objective—the people's welfare—he and the millions who approve his method must demand a change in the Constitution.

Further invalidation of New Deal laws may bring the issue to such a point as to enable the people to decide it at the election in November.

Whether events move that rapidly or not, the conflict will continue until the issue is decided.

General Welfare

YOU hear a lot about the general welfare clause. You will hear a lot more.

The Supreme Court has just taken a momentous step by holding that Congress has power to tax and spend money for the general welfare, even if the object is not within the specific powers vested in Congress; BUT Congress cannot violate the Constitution in this exercise of its power to promote the general welfare by spending money.

Do you see the point?

The Constitution must be considered as a whole.

An immense unexplored field is open for the promotion of the general welfare by taxing the people and spending the money for their welfare. This field is part of that vast twilight zone which the Government and the courts have explored for 149 years without finding its boundaries.

As matters stand, the Supreme Court has found that Congress has no power to promote the general welfare by spending money to gain possession of powers already allotted to the States.

The Supreme Court has not found that Congress is denied the power to promote the general welfare in the twilight zone. A law to that effect would be passed upon if a case should arise in which it appeared that the law attempted to do that which Congress is forbidden to do.

Farm Relief

YOU see now that Congress must stay within the Constitution in enacting any new farm-relief law.

It cannot invade the powers of the States or the people, or tax all the people for the special benefit of a part of the people.

Long ago the Supreme Court held that Congress had power to impose a tariff for protection of industry, agriculture and labor as well as for revenue. This is the exercise of two powers: one, to regulate interstate and foreign commerce; the other, the power to tax.

But if the money derived from tariff duties should be set apart to be paid as a subsidy to industry, agriculture, or labor, or any other special interest, you needn't doubt that the Supreme Court would make short work of such a tariff act.

You as a business man want farm relief. The general welfare demands and includes farm welfare. Every man possessing common sense and a spirit of fair play wants a square deal for agriculture, industry and labor.

Patience and industrious effort ought to evolve a plan of farm relief based upon unshakable power vested in Congress. No doubt the Supreme Court would be delighted to sustain such a law.

The danger is that passion, political ambition, and willful or ignorant blindness to constitutional limitations will tempt Congress to pass a law that will not stand the test.

The still greater danger is that the people, in striving for something better, will destroy that which is good—the equilibrium of powers they have allotted to the Government, the states, and themselves.

Social Security

THE Social Security Act provides a test of the power of Congress to provide in a special manner for the general welfare. Criticism of the law is increasing as the pinch of the

tax becomes more acute. You know the arguments pro and con. Not until this law goes through the test of final judgment will we know whether it is safely within the field occupied by the Government and denied to the states and the people.

Business faces a tremendous tax. Already it must put

aside one per cent of its pay rolls for unemployment benefit. Next year two per cent; in 1938 three per cent. Within 20 years taxes would run up to \$2,000,000,000 a year; benefit payments would reach \$800,000,000 a year. The Government would have accumulated more than \$20,000,000,000, on old age alone. Some estimates are higher.

This is about equal to the entire life insurance business of the United States. Life insurance companies employ about 350,000 persons. The Social Security Board would not employ that many, as it would not need a sales force. But it would need an administrative force of great size to check the returns.

Just so many more government employees supported by the taxpayer.

Nobody is satisfied with the Social Security Act, even in Washington. The American Association for Social Security thinks the program as a whole is unworkable. Business fears the accumulation of large reserves. Labor wants the unemployment and old-age pensions separated, and it objects to the employee paying for unemployment insurance.

Many citizens regard the law as a subsidy to the shiftless and incompetent—socialism, in a word.

So you can look for amendments if the law is not knocked out as unconstitutional.

Business Outlook

GREAT confusion when AAA was overthrown. Business quickly adjusted itself. The country pushes forward. It needs buildings—especially more homes. Fifteen or 20 industries made all-time highs in 1935—notably gasoline consumption, wool, shoes, washing machines, air transport, air conditioning and electric refrigerators. New industries are making business for old industries. Nearly all business is moving up. Railroads are sick and must be helped "for the general welfare." Consolidations in some cases will do the trick.

Business is not upset by the upsetting of AAA. Leaders of farm organizations disagree—some of them look for a better plan, others join the throng that demands revamping of the Constitution.

It's an old tradition that business stands on one foot during a presidential campaign. History doesn't support that idea.

If the move to enlarge the power of the Government to regulate industry and agriculture doesn't develop into a campaign issue, there's no reason why business shouldn't go forward while the campaign is on.

No use denying it—the Supreme Court decisions help to restore confidence. Industry feels that there is a limit beyond which the Government cannot go in this matter of regulation. Much is restored to individual and team initiative.

Investigations

LOTS of wasted effort in investigations and demands for complicated reports from business. Big and little business men are faced with a heavy indirect tax for paying bookkeepers and experts to draw up reports in reply to questionnaires. SEC wants detailed reports. Federal Power Commission calls for reports. Communications Commission wants reports. ICC in its Bureau of Motor Carriers is preparing regulations that call for a million detailed reports. Railroads retain big staffs to prepare reports. Labor Relations Board is digging in, asking for reports. Social Security Board hasn't begun yet, lacking funds, but expects soon to prepare questionnaires to go out to all employers. Reports, reports, reports.

You've seen the grinding of Congressional investigating committees. Most of it is thrashing over old straw. Railroad financing investigation about to go over

ground already covered. Very little information gained in any inquiry that would help Congress to legislate—and that's the ostensible purpose of every investigation.

Townsend Plan

women more than 60 years of age.

The Townsend heresy may help a few office-seekers to win election here and there. It may wallop others.

Budget

NOT counting the Townsend Plan or any other spending scheme outside of bonus and relief, the budget doesn't satisfy anybody. Congress doesn't know what the President will ask for relief. Public debt increased in six months from \$28,700,000,000 to \$30,500,000,000. During first half of this fiscal year Uncle Sam

Spent	\$3,781,000,000
Took in	1,902,000,000
Ran behind	\$1,879,000,000

For every \$2 he spent he got \$1 in taxes and borrowed \$1.

Budget estimates call for \$6,750,000,000 next year, not counting bonus and relief. Better business may yield increased tax revenue, but taxes can't be reduced while spending grows. President Roosevelt put in a careful qualification when he said additional taxes were neither advisable nor desirable. He said "under existing laws." Collapse of AAA may call for extra taxes, depending upon success of Administration in putting through a farm-relief bill and upon outcome of suits to recover processing taxes.

AAA spent about \$1,200,000,000 and took in \$1,000,000,000 in processing taxes. The 200 million went largely for administration payrollers. Consumers paid most of these taxes.

Processors will have to prove up before they can recover. If they passed the tax along or deducted it in buying their stuff, they can't recover.

Figures disagree as to amounts involved. One guess is that Uncle Sam owes processors \$600,000,000. Another is \$300,000,000.

Washington talks a lot about the moral obligation to pay farm contracts; nothing about the moral and legal obligations to reimburse the taxpayers.

Some talk of passing an Act depriving processors of the right to sue for recovery.

Politics

PRESIDENT ROOSEVELT'S address to Congress is jocularly described as a "message on the political state of the Union." He started the fireworks that will explode until November.

Radio broadcasting concerns seem to be getting by, after vigorous criticism charging favoritism. Both sides must pay for radio time after the conventions—and they can have all they can pay for.

By the time you read this Al Smith's much-advertised talk before the Liberty League will be public. Democratic stalwarts say they don't fear third-party splits because of Al Smith—that he's a Democrat even if he differs from his old friend. Just the same there's great fear of Tammany. New York State's electoral vote outnumbers the votes of half a dozen western States.

Republicans are itching to "rally around," but can't locate the rallying-point just yet. Men representing extreme views on either side talk stubbornly, but majority

sentiment seems to be centering in the middle-ground, as usual. Common talk is that the G.O.P. must cater to both wings if the wings are to flap together and get anywhere. So, many people expect Hoover-Borah elements to compromise rather than turn the G.O.P. convention into a Madison Square Garden fiasco.

So much depends on developments—Congress and Supreme Court—that political forecasters are adopting the safe, watchful waiting attitude.

Coming Decisions

NO USE denying that additional knockouts of New Deal laws might change the current of public opinion in the course of the campaign.

Among laws hanging in the judicial balance are the Wagner Labor Relations Act, Guffey Coal Act, Public Utilities Act, and the TVA Act, all affecting immense numbers of voters. Challenge of the Tariff Reciprocity Act is in the offing—also legal attacks on the Social Security Act.

Decisions already made have forced changes of political strategy. Opponents of the New Deal are greatly encouraged, of course, but some outstanding Republicans in Congress are skittish about indulging in too much chortling—they voted for the laws that were knocked out and don't want the enemy to pull the record of roll-calls. Pots and kettles are both black.

A legal authority of highest rank said to me: "It's not wise to prejudge Supreme Court decisions on supposed analogies. Precedents are strong only when they apply exactly to the pivot of the case under consideration."

Misuse of Tax Power

THE decision of the Supreme Court in the AAA case makes more pertinent than ever two sentences in a recent report of the United States Chamber's Committee on Federal

Taxes just passed on by the membership. They read:

The taxing power should not be utilized as a basis for regulatory or prohibitory legislation or social or economic changes by any governmental process which, without the intervention of a tax, would not be a valid exercise of federal authority.

The taxing power should not be utilized to obtain revenues that are designed to be segregated or limited for distribution to special classes.

Railroad Legislation

MEN in Congress directly concerned tell me they doubt that important rail legislation will be considered. Time is short and everybody wants early adjournment. Coordinator

Eastman's work isn't finished and Congress may give him another year.

Merchant Marine

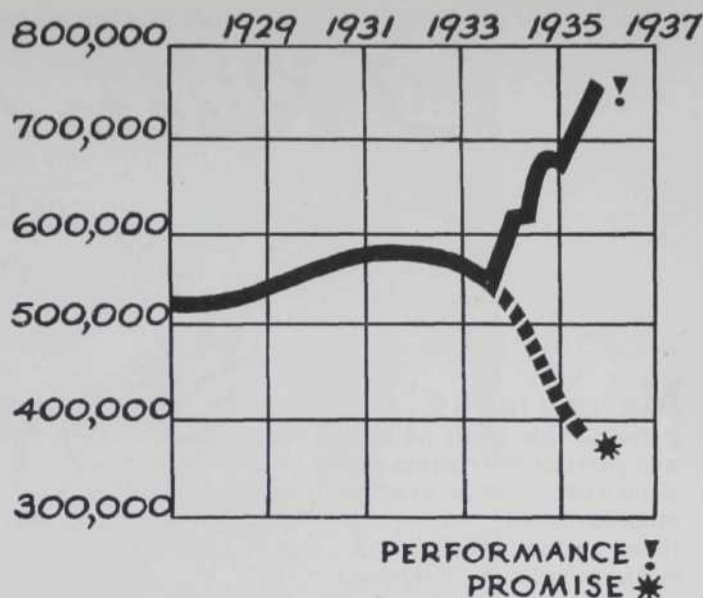
CHAOTIC conditions call for passage of a new ship-subsidy bill. Majority may decide that subsidy legislation—except for farmers—is inexpedient in face of the big deficit

and the touchiness of voters. Unless President Roosevelt insists on action, it seems likely this matter will go over until after election.

Income Publicity

NOT one man in ten in Congress was aware that the tax law permitted publicity of salaries above \$15,000. Opinion is divided as to whether this should go on or be

stopped. Bills to shut off publicity have been introduced. One suggestion is that in every corporation confidential information as to executive salaries should be given to stockholders, but not made public by Internal Revenue Bureau.



The rising tide of employment by the Federal Government. Only civilian workers are included in this chart

Unemployment Relief

PRESIDENT ROOSEVELT has wide latitude in financing unemployment relief. More than \$1,000,000,000 is left over. But the needs of 1937 must be provided for at this session—so a few weeks hence a relief message may be expected. General idea seems to be that Mr. Roosevelt will ask for at least \$1,000,000,000.

Public Works

UNDER the new arrangement contemplating specific designation by Congress of public works projects

there's talk of danger of loading down the program with added projects to help lawmakers in their political campaigns. Half a billion dollars doesn't go very far among 531 lawmakers. Some of them foresee possible kickback from voters and are advising moderation.

Industry-Labor Cooperation

MINUS the fireworks that attended the industry conference on December 9, the first meeting of Industry Coordinator Berry's Council for Industrial Progress, outgrowth of the

conference, was held January 6. Labor was fully represented but management representatives were chiefly from small industries and portions of the distributive field, with a sprinkling of unofficial observers from other sections. Committees are at work on various studies.

General feeling was that, recognizing that the bulk of management was unrepresented, the Council should proceed cautiously, with the hope of winning more general support. How far it can proceed without coming into conflict with the Business Advisory Council of the Department of Commerce is a question in the minds of many observers. The latter council is currently showing new signs of life—its recommendations on December 4 that the skeleton NRA be buried in the Commerce Department were carried out within the month. A significant rôle seems cast for it under the chairmanship of Assistant Commerce Secretary Ernest G. Draper. Observers point to the fact that the Advisory Council, being confined to management representatives, is more likely to reflect the real sentiments of that group than will the bi-partisan Berry Council, which necessarily can bring forth only compromises between the labor and management groups which compose it.

I Rise to Nominate...



By T. HARRY THOMPSON

MR. CHAIRMAN, delegates to this great national non-partisan convention, gentlemen of the press, to whom mimeographed copies of these extemporaneous remarks were handed four days ago, I rise to nominate a man for the greatest office within the gift of the people. I refer, of course, to that hallowed trust, the Presidency of these United States.

Not since the time of Lincoln, perhaps, will an incoming President have been faced with matters of such grave importance, both at home and abroad. All Europe trembles on the precipice of a major conflict that will make Armageddon look like the semi-finals of the horseshoe tournament at Tompkin's Corners. Democratic governments abroad are crumbling with the friability of old-fashioned brown sugar. And, if you ask me, things aren't any too hot at home. Therefore, ladies and gentlemen, I give you a man. . . .

My able fellow delegate who has just preceded me on the floor has spoken stirringly of the qualifications of his candidate—qualifications which, beyond peradventure of a doubt, mark him as the best man for this high office. But, gentlemen, the immortal James Bryce tells us that the best man can't be elected. Fellow patriots, let me bring to your attention that the purpose of this convention is not to nominate the best man but the man who can be elected. [*Cries of "That's right."*]

Therefore, ladies and gentlemen, it is my privilege to place before this caucus the name of a man who will be, so far as humanly possible, all things to all men; who will be, and who indeed is, so skilful in the handling of all problems that the lion and the lamb can take it lying down; who, when occasion arises, will do a fair imitation of fooling all the people all of the time, the Great Emancipator to the contrary notwithstanding.

Gentlemen, this paragon of political expediency is not a business man; he is not a farmer, he is not a former

service man, nor is he connected with that hideous monster, the power trust. Neither is he college professor nor a newspaper editor, nor a clergyman. My friends, my candidate has no interest in any of these groups except a burning, human desire to do them—good. Since he is beholden to no clique or class, he will be representative of all the people.

Nothing to criticize

MY friends, if you will look at his record you will find that he has never made any mistakes because he has never done anything. Since he has never met a pay roll, union labor can find no fault with him. Since he has never held a job, employers cannot brand him as an agitator for labor. Since he owns no property, he cannot be classed as a capitalist.

Ladies and gentlemen, my candidate is a self-made man—and at the same time he has always observed the 30 hour week. [*Applause. Cries of "Hear, Hear," and "He's the Man."*]

Moreover, he will bring to the economic and financial problems of the country an unbiased mind because he has never thought of those problems. He believes dollars grow on trees, that all business is wicked, *per se*, and that budget-balancing is a feat performed only by Japanese acrobats.

But, if you talk to him of unemployment, you will find he has a broad knowledge of the subject. If he is not elected to this high office, that knowledge will be even broader. It was he who fostered the plan to put the unemployed to work investigating each other. This is the ideal solution of this problem not only because there is nothing else left which has not been investigated but because the unemployed are today our greatest employers. Every business man today is working for the unemployed. If a plan can be developed whereby those now employed can be freed from the employment and supported by

the public treasury, all other economic maladjustments will solve themselves.

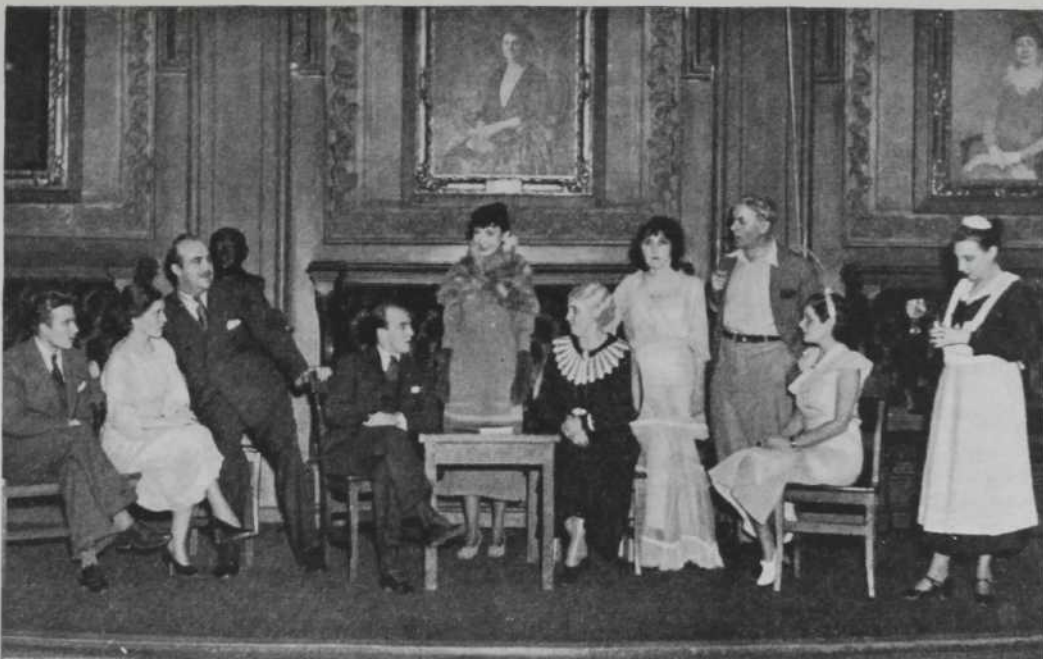
My friends, my candidate has such a plan. Let others prate the joys of the Townsend Plan, of Share the Wealth, of Social Credit. My candidate begins where they leave off. Not only the aged and infirm, but the newborn babe, mewling in his swaddling clothes, will share in his largesse.

Immediate he is elected, my candidate will put into effect a measure which will pay, not \$200 a month, but \$400 a month to those who have attained the age of 50 years. Not 60 years, not 65—but 50. What will be the results of this? My friends, business will jump. It may even scream. The resulting turnover will attain such velocity that even the Founding Fathers in their graves will revolve like dancing mice. [*Applause.*]

But this is not all.

My friends, every child born into this land of plenty will receive \$1,000 in a currency so elastic it will stretch from the rock-bound coast of Maine to the shores of Tripoli—and I don't care where Tripoli is. Walter Winchell has already been approached to head the great governmental fact-finding agency which will speed these payments. And every year until maturity these tender shoots on the tree of our posterity will receive an addi-

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Members of the cast of "One of the Family" recently presented in New York City by the WPA Federal Drama Project

WPA ART SERVICE

The Government Spreads Culture

By WARREN BISHOP
Managing Editor, Nation's Business

HOW the Government plans to spend \$30,000,000 for the advancement of art, music, theater and writing, and a few of the questions which occur to the citizen who studies the program

THE Federal Government is going in heavily for the broadcasting of culture. The beginning was with Congress, but the full accomplishment of the plan was with Harry L. Hopkins' Works Progress Administration.

Congress set aside in the Emergency Appropriation Act of 1935 the sum of \$300,000,000 for "assistance for educational, professional and clerical persons."

That was in April. In September the President approved an allotment of \$27,315,217 for four cultural projects—art, music, theater and writing.



WPA artists at work on mural on Greenpoint Hospital in Brooklyn

Administrator Hopkins put Assistant Administrator Jacob L. Baker in charge of white collar projects and, under him, Bruce McClure was made "Chief of the Professional and Service Division." Then a director was allotted to Art, Music, Theater and Writing.

For Music the director is Nikolai Sokoloff, a native of Russia but now a citizen of the United States, who has conducted symphony orchestras in San Francisco, Cincinnati and Cleveland. His program is so well on its way that on a December Sunday, there were six free WPA concerts in the city of New York alone. Here is the list:

- Queens Little Symphony
- New School for Social Research
- New York State Symphonic Band
- Museum of Natural History
- Bronx Symphony Orchestra
- Bronx County Building
- Brooklyn Symphony Orchestra
- Brooklyn Museum
- New York Civic Orchestra
- College of the City of New York
- Empire String Quartet
- Roerich Institute

For other days in the same week 19 concerts were scheduled—by orchestras, brass bands, quartets and trios—most of them in buildings partly or wholly supported by the state. The New School for Social Research, however, is a private institution which is largely devoted to the

spread of socialist propaganda. How do the promoters of these four "cultural projects" justify their activities? Talk with the various directors and you'll find their argument runs like this:

We can't let men and women starve. That has been decided. We have tried and are still trying direct relief—a dole. We have progressed beyond that to an experiment in putting people to work—even to inventing work for them. Someone invented the word "boondoggling," to describe this work for work's sake. We'll accept this phrase for the moment and ask in return if even "boondoggling" isn't better than idleness at the public expense.

When we come to the question of 350,000 white collar workers, "educational, professional and clerical," what shall we do with them? Shall we try to devise some work for which they are fitted or let them take their chance at any occupation that can be turned up?

Here's a man who has played the violin for a living. Shall we put him to digging a ditch? Certainly not. Ditch-digging would unfit him for further employment at the thing he can do, violin playing. Therefore, we must let him play the violin and pay him for doing it. But he can't be shut up in a room and told that if he plays the violin for six hours a day for a month he may have \$39 or, if he is a very desirable musician, as much as \$103.

No, that won't do. It would be bad for him mentally and besides there's a "cultural by-product" which must not be wasted. The next step then, if we are not to waste this cultural by-product, is to organize music for the community. We add to the out-of-work violin an unemployed trombone, an idle flute and so on until we have a band, a trio, a quartet, or a symphony orchestra.

Then, having this, we must give the product to the public, through free concerts in schools and town halls and hospitals.

"The primary objective of the Federal Music Project," says a spokesman for the Professional Division of WPA, "is to provide employment to professional musicians who were

registered on relief rolls before November 1, 1935. Through the Federal Music Project, communities may have symphony orchestras, bands, ensembles, dance orchestras, etc., financed by federal funds, supplemented by a contribution from a local sponsor.

"The Music Projects are also designed to retrain and rehabilitate musicians and educate the public in an appreciation of music.

"About \$7,000,000 have been allotted to the Federal Music Project, for a period of six months. The average wage per musician is \$80 a month, the range being from \$39 to \$103, according to the classification of the musician and the region where he lives. A total of 168 projects is now operating under the Federal Music Project. They include 29 symphony and concert orchestras, 22 bands, 23 chamber music ensembles, 45 choruses and quartettes, 28 dance orchestras, 11 teaching projects, three light opera projects, six projects using copyists, librarians, tuners and music binders, and one project comprised of vocal and instrumental soloists. The number of relief musicians who have been put to work on these projects is 7,057 as of December 4."

How are musicians chosen? Mr. Sokoloff has under him nine regional directors spread over the country. These directors examine local relief rolls for musicians out of work. Then

the director sets up an audition committee before whom the needy musician appears and is examined. If he passes the Audition Committee he is assigned to a group—orchestra, band or what not. Next step is to find a place for this group to play in order to "educate the public in an appreciation of music."

An effort is made to get some local body to act as "sponsor" and to pay part of the cost. Boards of Education, Park Boards, Parent-Teacher Associations, Y. M. C. A.'s are all approached to provide halls, light, heat and money.

The music director insists that his primary purpose is to provide work, but admits that he hopes also to build up permanent musical organizations in communities throughout the United States—organizations founded and indefinitely fostered by the federal Government.

Government by ballad?

IT may have been "a very wise man that believed that if a man were permitted to make all the ballads, he need not care who should make the laws of a nation." It would be a very dull man who did not see in this infiltration of free music directed from Washington a link in the chain that binds states and cities and towns to

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Earl Cheevers and his 16 Kings of Rhythm, a WPA music project organization in Ft. Wayne, Ind.



WPA artists engaged in making relief maps in California

The Farm's New Day

By L. F. LIVINGSTON

Manager, Agricultural Extension Section, E. I. du Pont de Nemours & Co.

ASK any man what he understands by "farm relief," and the chances are that he will tell you in terms of public subsidies and control programs. For it is a commonplace that the situation of agriculture has become a major political interest, with public spending as its characteristic expression. That American business, through its support of industrial chemistry, is opening up inviting possibilities of a new land economy is not so much in evidence.

Five years ago it might have been said that agriculture was at the crossroads—and all roads ahead looked bleak indeed. The farmer was told that his ancient creed of plentiful yields spelled his ruin. The hungry cried for food, yet the farmer heard incredulously that his own salvation lay in producing less. Lean days and

A NEW agriculture, perhaps vastly different from the agriculture that we have always known, is dawning, in the opinion of this man who sees the solution of the "farm problem" as the job not of the Government but of industry. Further, he gives examples to show that the new day is not far off

strange ways were upon the agriculturist and apparently they had come to stay.

Today, such has been the change in the national consciousness toward agriculture, that even a casual review of developments presents an altered picture. We still have a farm problem, so called, but factors that point to the

permanent and satisfactory solution of that problem are now at work on a widely flung front. We still have crop control by governmental agency, and it may well be that some form of regulation will enter permanently into all farm production and use of land; but the future augurs not a control to curtail but a control to augment. The nature of this control may continue to be

political to the extent that its source continues in the state, but, by and large, the most important agencies to the farmer in the not distant future are going to be those represented by the industrial purchasing agent, the research chemist and the agricultural engineer.

A new and a radically altered agricultural industry is in the making. Its birth throes may be painful for



CHARLES DUNN

Competent observers see a day ahead when the "factory stomach" will consume more farm products than all our hungry human stomachs together

the time, but they should not be mistaken for other than what they are.

By far the most significant of the recent changes bearing upon the future of American agriculture has been the rise in this country of an organic chemical industry. This development, dating from the war, has been prodigious. Chemical manufactories have forged to the forefront of American business, hundreds of laboratories have been established throughout industry dedicated to the improvement of the old and the creation of the new.

Substitutes or improvements?

ORGANIC chemistry, as it is being practiced today, is a science of revolution. The chemist has learned how to create, not by accidental discovery but by cold scientific calculation. His objective is no longer imitation of natural products, if it ever was that, but is the creation of materials nonexistent in nature. For example, rayon is not an artificial silk but a new fabric with properties of its own. "DuPrene" is not a synthetic rubber but a material of totally different chemical composition that in many ways is superior to the natural product. But what is most to the point here, the chief raw materials of the organic chemist, the main tools of his trade, so to speak, are organic things that grow from the soil. The organic chemical march toward change is over a road paved in large part by the products of American forests and farms.

The seeds of cotton were once a waste and a nuisance. Today, thanks to the organic chemist, the seeds in a billion-and-a-half-dollar cotton crop have a value of more than \$200,000,000 to farmers. More than a hundred commercial uses have been developed by the chemist for corn, ranging from glycerines used in explosives to carbon-dioxide used in making dry ice. More than one-tenth of the corn crop now has, as its market, the factory. Wheat straw is being made into corrugated paper boxes; furfural, produced from oat hulls, is being sold in tank-car lots. The new wall board industry is based on the chemical conversion of farm by-products that only a decade ago were deemed next to worthless.

I might go on indefinitely, for already the list of chemical conversions of farm products is long, although the chemist is relatively a new-comer on the agricultural scene. The fact that he has such solid accomplishments so early to his credit is an augury of the future that we need most seriously to consider.

"The chemistry of the utilization of agricultural products and by-prod-

ucts or wastes is still in its infancy," says Dr. C. M. A. Stine, one of our foremost industrial chemists. Other observers, far more competent to detect the trend than I, see ahead a "factory stomach" that will consume far more from our farms than all of our hungry human stomachs together.

And in the meantime a second development is taking place, only slightly less significant to the farmer. Big business is becoming increasingly interested in the agricultural puzzle. Of course, the manufacturer has always been concerned over the farmer as a market, but a new note is now evident. An unstable farm situation is a constant threat to business stability. Moreover, the manufacturer has a production problem no less acute than that of his rural neighbors. The factory capacity to produce is also beyond the existing market to consume, and one big reason is that the farmer has not the means to buy his share, due in large part to wastes and losses.

The annual waste in agriculture, or, to put it another way, the loss suffered by farmers yearly for which there is no return, mounts to almost unbelievable figures. More than 6,000 known species of insects are costing growers each year something like \$2,000,000,000. Thirty-four insect species alone cause a known damage of \$924,440,000. Losses traceable to weeds are estimated at \$3,000,000,000. Add to these figures another billion and a half chargeable to plant diseases, and the total is \$6,500,000,000. This is apart from the loss, equally staggering, that piles up yearly in the wastage of now unmarketable by-products.

Industry helps the farmer

ALMOST, may it be said, that, for every dollar the farmer earns, another dollar is taken from him by enemies against which he must wage ceaseless war. Any substantial reduction in that loss could mean two things—a greater return to the grower for his labor, and a lower price to the consumer. Lower prices on farm products, in turn, should lead to greater consumption both by factory and the human stomach. In the prosperous year 1929, according to studies made for the Brookings Institution, almost three-fourths of our non-farm population lacked the means to provide itself with an adequate diet at minimum cost, and 90 per cent of those not living on farms were unable to afford the food they would have liked.

By no means are we producing all the food we need. There is merely an overproduction of food that con-

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Why

GOODYEAR Tire & Rubber Company breaks down its balance sheet to show what the figures mean in terms of its workers

WHEN THE Goodyear Tire and Rubber Company hires a man, whether it's a factory worker in Akron, a sales manager in New York, or even a native laborer in a rubber plantation in the Far East, it puts behind him an investment of \$4,810 which makes it possible for him to carry on his job, to earn his wages and to sell the \$3,770 worth of manufactured rubber that was credited in 1934 to each of the 40,000 workers. Perhaps the worker doesn't know that the materials on which he worked cost more than his year's wages, but they do. Perhaps he didn't know that his proportionate share of the company's taxes was 42 per cent of his wages.

Who puts up that \$4,810 that made it possible for Goodyear to sell \$150,000,000 in goods, to keep 40,000 men and women employed? Preferred stockholders contributed \$1,884 for each worker, bond holders lent \$1,663 and practically all the rest came from common stockholders. If we could find a man who held \$1,884 in Goodyear preferred, \$1,663 in its bonds and \$858 in common, he would have kept one man at work. If that man were a factory worker in Akron he would have been paid \$1,460. The goods which sold for \$3,770 cost almost all of that to produce and sell. A 100 per cent reduction in the stockholders' return could have added only ten per cent to his wages, but a 50 per cent reduction in taxes could have added 21 per cent to his wages. The stockholders' return, or hope of return, cannot be eliminated because the stockholder would not then provide the job.

A recent issue of NATION'S BUSINESS showed how assets and liabilities of General Foods were divided for each employee. A national publication, commenting favorably on the figures, added that a corporation might go further and break down its earnings statement in terms of men and women. Goodyear Tire & Rubber has done this.

40,000 Persons Have Jobs

By P. W. LITCHFIELD

President, Goodyear Tire & Rubber Company

STATEMENT of Income and Expense of Goodyear Tire & Rubber Company for 1934. (Totals have been divided by the number of employees, to show amount per average employee.)

Gross income (the average employee produced goods, which, when finally sold, brought) \$3770

Materials (raw materials and semifinished materials used in the processing of these goods cost) \$1248

Pay roll (the average employee working on these goods received an annual income of) 1089
(This includes more than 5,000 workers on foreign rubber plantations. The factory worker in Akron averages \$1460.)

Taxes (the federal, state, local and foreign governments exacted a tax on our property and general business including import duties amounting, on this average employee's portion of our business, to) 453

Depreciation (this is the amount of wear and tear on the tools and machinery you use and the buildings which house you and your work) 206

Freight (the cost of moving this material between our branches and between our suppliers and our plants and then to our customers when terms of sale required us to pay the freight) 140

Selling, administration and miscellaneous (selling includes advertising and distribution. This is as necessary as the actual making of the goods, for no factory can run long if it does not get its product to customers. Administration is the cost of management, of "running" the Company. These combined expenses on the \$3770 worth of goods were) 451

Interest (in addition to the investment made by stockholders, we have borrowed money on bonds and real estate mortgages, all of which adds to the assets of the company and makes it possible for the company to provide more jobs. The cost of the money borrowed per employee was) 69

Total cost per employee . . . \$3656 \$3656

Balance available for dividends to the stockholders (note that this is only 3.6 per cent of the stockholders' investment and also that part of this was not distributed but kept with the company as a sort of reserve) \$114

BALANCE SHEET of the Goodyear Tire & Rubber Company, December 31, 1934— (Totals have been divided by the number of employees, to show amount per average employee.)

ASSETS:

Land, machinery, buildings, etc. (this is the fixed investment that makes possible your job. The land, buildings, and machines allow you to do more work and earn more money than if the work had to be done by hand) \$1943.63

Investments (these are incidental investments arising from land sales contracts, pension trust fund, etc.) 155.37

Inventories (this includes the raw materials we have on hand, the goods you are working on now, and those you have finished but we have not yet sold. The average time from purchase of raw materials to sale of finished goods is eight months) 1393.86

Accounts and Notes Receivable (selling "on time" allows us to sell more goods than if we sold for cash. It means more work for you. If we do not extend credit or accept notes when the credit standing of the customer warrants such action, you would have less work because we would sell less) 449.04

Government securities and cash (the cash is needed to pay for the raw materials you use, and to meet pay rolls, and taxes of \$34 a month per employee, etc. The government securities provide a temporary investment for the cash not needed within the immediate future but later) 799.46

Deferred charges (these are the payments for which we have not received the services. Insurance and rent, for instance, are paid in advance) 69.49
\$4810.85

LIABILITIES:

Long-term obligations (funded bonds, real estate mortgages and minority interest in subsidiary companies) \$1663.09

Current liabilities (these are for purchases within the past 30 days and for other expenses such as taxes which accrue before the due date) 224.65

Reserves (for contingencies) 180.18

Preferred stock (the holders of preferred stock have advanced this toward providing your job) \$1884.40

Common stock and surplus (holders of common stock have advanced part of this directly and left the balance with the company which makes more jobs possible. The earned surplus left with the company amounts to \$363.04 per employee) 858.53 2742.93
\$4810.85



Science has done much to break monopolies of raw materials which many nations once enjoyed

MUCH has been said lately about sanctions. The League of Nations' enactment against Italy and the Italians efforts to meet national needs without imports have attracted wide attention. Newspapers have printed photographs of patriotic Fascists bringing family trinkets to be melted down that the metals might be re-made into tools of industry or war.

Coupled with this talk of sanctions is the present trend toward nationalism.

One important factor in the nationalistic movement is the keen desire to be self-contained. This grew out of world war conditions which left many nations without products which had grown to be necessities in modern commerce and living. A self-contained nation is one that can produce all the materials required for living and activity within its own borders.

Strictly speaking, no civilized nation is self-contained, if we accept as a part of our premise a standard of living which today would be regarded as at all adequate.

We in the United States frequently boast of our own self-sufficiency. We have great stores of natural resources, we have skilled technicians, scientific ingenuity. Conceding that the need may never arise, it is still well to consider how much dependence we could place on these things in the event this country found itself in the same situation that Italy faces today. Could we get along without imports, and if so, how well?

A complete answer to that question must, of course, be governed somewhat by the situation which brought about the need to be self-contained. The methods which might be advisable in the face of a war time embargo would not necessarily serve if lack of imports resulted merely from economic causes.

One of the chief differences in the activities of a nation at peace and a nation at war is that, under war conditions, the limitations imposed by cost are removed and the emphasis is on manufacture of products required for war. This means that many supplements, equivalents, or substitutes may be undertaken which would be unjustified from an economic point of view in normal times.

Thus it was feasible, indeed profitable, during the World War to obtain potash from cement dusts because this commodity became worth hundreds of dollars a ton. The return of peace closed all but one of these enterprises. If an emergency compelled us to forego importations of crude rubber, we could multiply the production of synthetic rubber-like compounds and increase the

What Would

consumption of reclaimed rubber. In the one instance our costs might advance appreciably. In the other we might need to be less insistent regarding some qualities.

In war or in peace, therefore, the materials required by industry but not available in suitable quantity or quality constitute a list of strategic resources.

At the time of the war the United States Government listed 26 strategic materials:

Antimony	Manila fiber	Rubber
Camphor	Mica	Shellac
Chromium	Nickel	Silk
Coconut shells	Nitrates	Sisal
Coffee	Nux vomica	Sugar
Hides	Opium	Tin
Iodine	Platinum	Tungsten
Jute	Quicksilver	Wool
Manganese	Quinine	

Science has done something toward eliminating items from this list, or at any rate making it possible to segregate these items into those which truly remain strategic and those which no longer have quite the importance they once had. The United States, for instance, is no longer so dependent on outside sources for camphor, iodine, nitrates, rubber, shellac, and silk. Aluminum can replace tin, for example, in cans for certain uses.

Our deficiencies in minerals

IN December, 1934, the National Resources Board report listed mineral commodities in which the United States was wholly or partially deficient, with principal foreign sources of supply. The table follows:

COMMODITY	PRINCIPAL SOURCES	ALTERNATE SOURCES
Antimony	China	Mexico
Asbestos	Canada	Rhodesia, Union of South Africa, Russia
Barite (1)	Germany	Netherlands
Bauxite	Surinam	British Guiana
China clay (1)	Great Britain	
Chromite	Rhodesia	Greece, French Oceania, Cuba, Portuguese Africa, Turkey
Fluorspar (1)	Germany	France, Spain
Graphite (1)	Madagascar	Ceylon
Magnesite (1)	Austria	Czechoslovakia, Russia
Manganese	Russia	Brazil, India, Gold Coast, Cuba
Mercury	Spain	Italy
Mica (1)	India	Canada, Madagascar
Nickel	Canada	New Caledonia
Nitrates, natural (2)	Chile	
Pyrites (1)	Spain	Canada
Talc (1)	Italy	France, Canada
Tin	Malaya	Hong Kong, Netherlands, United Kingdom
Tungsten	China	Bolivia, Burma

(1) Adequate reserves of these materials exist in the United States, but their location with reference to the centers of consumption is disadvantageous or their grades are not fully adapted to our uses.

(2) The domestic requirements for nitrate can be met entirely by synthetic production if necessary.

Sanctions Mean to Us?

By HARRISON E. HOWE

Editor, Industrial and Engineering Chemistry

This table reveals that commercially important raw materials are unequally distributed on the earth's surface. Some materials now in demand and scattered in more or less definite areas are scarce because their supply has been depleted.

Others have become rare because no additional supplies have been discovered. This concentration of resources is such that different countries have had substantial world monopolies.

It does not require a war to focus thought on the question: What can a nation do? How can a people become less dependent on others and more self-contained? Germany offers one answer to this question.

The German Chancellor has called upon the people to find substitutes for articles dependent upon imported raw materials. Germany definitely plans to restrict imports as much as possible and, in cases where raw materials must be brought from other lands, to bring them, if possible, from countries with which she has a favorable trade balance. There is a further possibility of importing principally from nations prepared to take in return German products, as illustrated by the negotiations whereby



The Far East continues to supply the world with rubber but Guayule, a shrub grown in California, offers possibilities



Boy cutting wood in a camphor distilling yard in Kappanzan, Formosa

Egypt proposed to trade a certain quantity of her cotton for synthetic fertilizers produced in Germany.

When a nation finds it advantageous to be as self-contained as possible, several procedures are open:

First, rigid economy in the use of what may be on hand. Second, increased production, drawing upon native resources ordinarily regarded as of little promise. Third, direct substitution of one material for another. Fourth, developing entirely new methods making feasible the use of products fashioned from materials found at home. Fifth, the search for new resources. Sixth, synthesis, by which useful products are built up from domestic raw materials.

Substitutes may be used

UNDER savings we think first of abandoning unnecessary uses. We had an example of this in the United States during the war, when the jewelry trade was urged to abandon platinum, that this metal might be available for scientific instruments and for equipment used in making chemicals. Dentists sought alloys to replace platinum and science developed its own substitutes, so that the maximum quantity of the rare metal would be available for uses for which no substitutes were then known.

Some metals, like nickel and chromium, are much used in decoration. Such use could be restricted if necessary.

Fundamental in any such program of economy is the design of articles in which such materials are used. Redesigning can restrict the use of scarce materials and

provide for their recovery for reuse when the original article has served its purpose. Secondary metals—those which have been used but are recovered, refined, and made available for reuse—already constitute a large proportion of the annual supplies of such elements. When emergencies come this activity is intensified because it is then profitable to gather small quantities from distant places, to improve refinement, and they are more readily accepted for reuse than when virgin metals are cheap.

To a certain extent the people of one century live upon the waste piles left by the preceding century. The possibility of increasing production by working waste piles and by processing lower grades of raw materials has been well demonstrated. The cyanide process for winning gold made it profitable to work the waste piles of many mines.

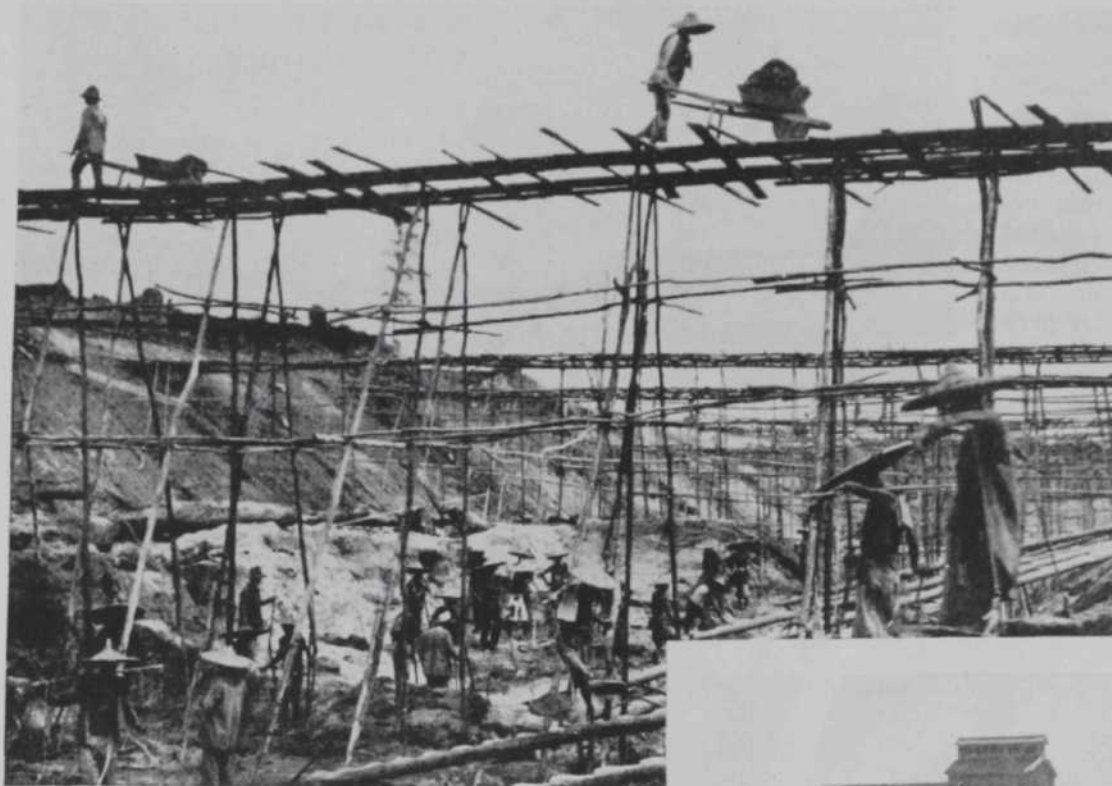
Still more recently ore flotation has made it profitable to work ores which, under previous methods, were uneconomic.

This borders on direct substitution where much clever work is done, even when there is no restriction on raw materials. We know, for example, that cotton can replace jute; rayon can be used in place of silk; fabrics coated and impregnated with solutions of cellulose, rubber and with synthetic resins can replace leather; fibers suitably arranged and bonded with rubber latex may even be regarded as an improvement on sole leather; fats hydrogenated from vegetable oils already constitute an important item of commerce as competitors with lard. Molasses not even fully refined replaces crystallized sugar on occasion.

Today in Germany 20 per cent of sodium silicate is to be used in all soaps and soap powders, excepting toilet soap, to reduce the requirements of fats.

We have learned to use vanadium in place of platinum as a contact mass in the catalytic process for making sulfuric acid, and calcium produced from lime and limestone can replace antimony in hardening lead, or we may use barium, bismuth, copper, and some other metals for this purpose.

Some of the alloys of antimony are important in bearing metals, but here again alloys of lead with barium and



Open pit mines like this give the Malay states a share of the world's tin business



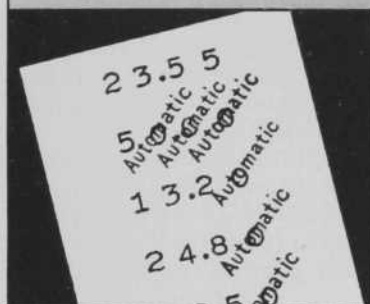
The only antimony plant in the United States, near Laredo, Texas

Burroughs

SHORT-CUT KEYBOARD



ALL CIPHERS ARE AUTOMATIC



Only on the short-cut keyboard are ciphers written automatically. Thus much of the work is done without touching a key.

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Only on the short-cut keyboard can two or more keys be depressed at one time. This saves many needless motions.

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Only on the short-cut keyboard can an entire amount and the motor bar be depressed together, thus completing the entire operation in one motion.

Speed . . . with fewer motions

Burroughs short-cut keyboard permits the operator to add or subtract an entire amount, or take a total, with a single motion of the hand. Also, there are no ciphers to write—ciphers print automatically. These and many other time and labor saving advantages of the short-cut keyboard are described and illustrated in a new, interesting booklet. For your copy, telephone the local Burroughs office or write direct.

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calcium compete successfully and cadmium has entered the field. In scientific work, fused silica can often replace platinum.

Aluminum, of which we have an abundance, may be substituted in places for copper—as in electrical transmission—and for tin in the form of foil and tinplate. Here glass, paper, and lacquered containers of steel offer considerable relief when tin becomes scarce. It has also been found that one species of wood may replace another.

Where substitutes are concerned, lower efficiencies can at times be tolerated. If tungsten had to be used for some other purpose than the filaments of electric lights, one might go back to the older forms of filaments or it is possible that entirely new filaments might be devised.

There appears to be no limit of newer methods. Cheap, strong base metals can be given all sorts of protective coatings, so that the final sheet or other form will have the strength of a relatively cheap metal like steel with one surface sufficiently coated with a resisting metal to preserve the structure. Nickel-clad steel, Inconel-clad steel, and platinum-clad nickel indicate the trend.

Plant breeding has shown what can be done to help adapt a country to economic conditions. Wheat has been bred for much colder latitudes than was the case when Canada began growing the crop, while in the United States the same cereal has been developed especially for the conditions of dry farming. New crops can, of course, be introduced, as is shown by the thousands of acres now set out to tung trees, that we may produce for ourselves at least part of the tung or China wood oil which our

paint and varnish industry requires and which has always been imported.

The possibilities of fermentation are far from exhausted, although today a large proportion of the citric acid is produced in this way. Acetone is likewise produced, and glycerine has been made by fermentation. In Germany some success has attended the effort to recover sulfur from coal gases.

The discovery of wholly new resources is a complicated process, but frequently successful. Guayule rubber is an example. Guayule is a shrub now grown in some parts of California and processed for its rubber latex content by methods developed by an American rubber company. A better known example perhaps is the discovery through geological prospecting of the extensive potash-bearing minerals of the Southwest, where mines in commercial production afford a large percentage of potassium-bearing compounds required for American agriculture. Preceding that by several years was the highly scientific work and chemical engineering at Trona, Calif., on Searles Lake, where deposits of salts from a dried lake were made to yield a variety of potassium compounds.

New resources opened up

MUCH paper pulp already is produced from American resources but, thanks to chemistry, the great resources of southern timber appear now to be adapted to paper-making. This work has involved the various kinds of pine to be found in the Southeast and heretofore passed by because they were said to have a high pitch content. At present an effort is being made to organize a company to erect a newsprint mill, to capitalize without delay on what has been proved to be an attractive commercial possibility.

One of the outstanding examples in this method is the separation of bromine from sea water, now going forward at the rate of more than 600,000 pounds of bromine per month in a plant near Wilmington, N. C. Here the Ethyl-Dow Co. wins 60 of the 65 parts of the bromine per million parts of sea water. This bromine is required in the manufacture of tetraethyl lead. The same company is responsible for pioneering work in separating iodine from the bitterns and tailings of California petroleum refining, thus breaking another natural monopoly.

When we come to synthesis, great possibilities are open. Here, using native materials, it is not only feasible to manufacture many compounds heretofore found only in nature, but to produce quite unnatural materials for either old or new applications. The classic examples in this field involved coal-tar chemistry, to which we are indebted for our modern dye-stuffs, for many of our most potent pharmaceuticals, for medicines actually planned to combat some particular ailment, for perfumes available for many technical uses where the more expensive natural product could not be employed economically, for release from natural monopolies where fla-

(Continued on page 68)



Each century lives on the waste piles of the past. This plant is recovering copper from rock years ago regarded as waste

Selling Yourself



NO ONE knows better than you yourself how much protection you would like to arrange for your family, how much certain security. Figure it out in actual dollars and cents over a period of months and years.

The Field-Man who comes to see you can't give you the benefit of his experience unless you are frank enough to tell him how far short of your goal you now are.

Suppose you now put yourself in his place, in which case you would know the best way to lay out the kind of a Program you really have in mind. You would soon sell yourself part or all of the added protection you intend to have.

When your Field-Man calls next time give him an opportunity to be more useful to you than ever before.



You will still be "selling yourself" the surest protection in the world. Send for him or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

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I am interested in finding out how I can have a Program of Life Insurance that will give me the protection needed for my family and myself.

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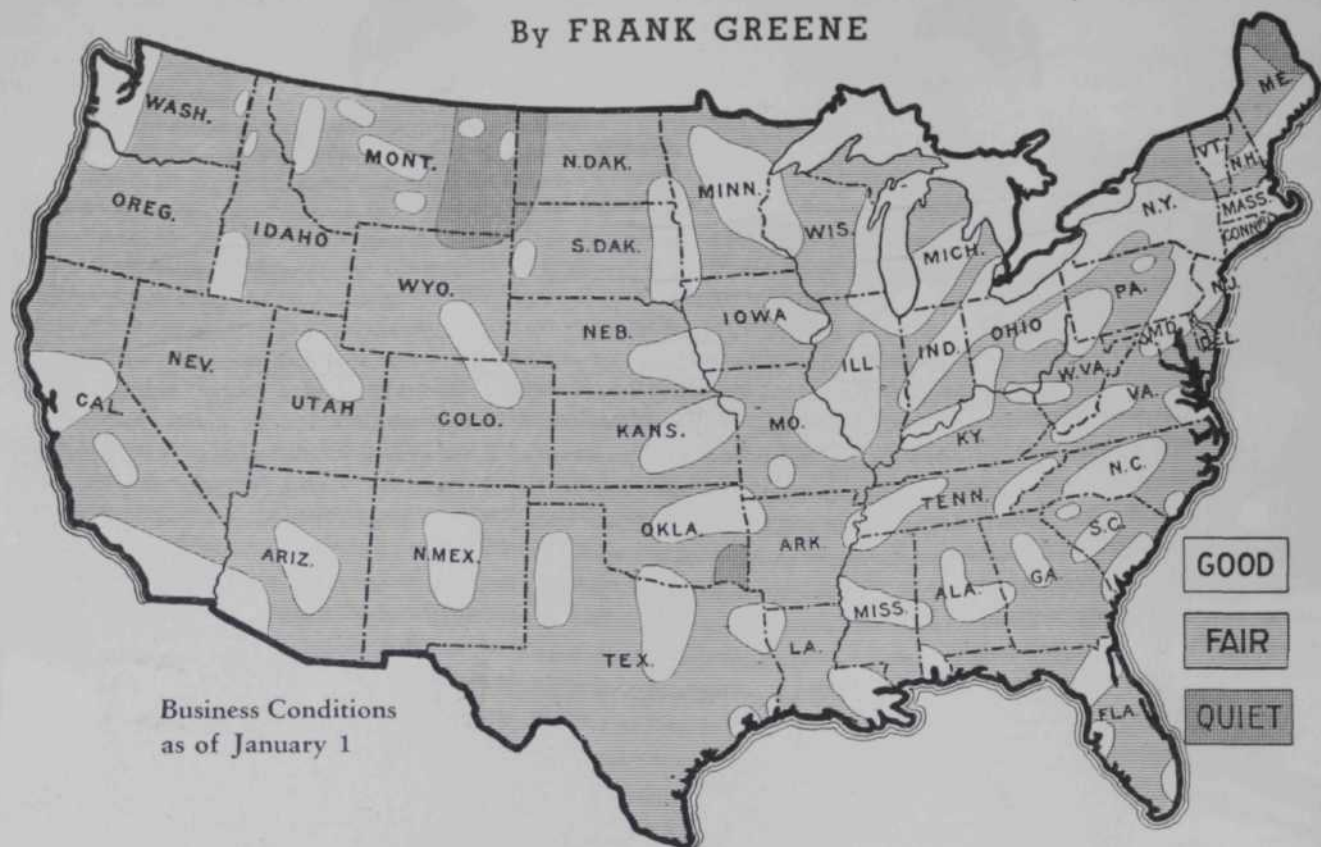
Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

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The Map of the Nation's Business

By FRANK GREENE

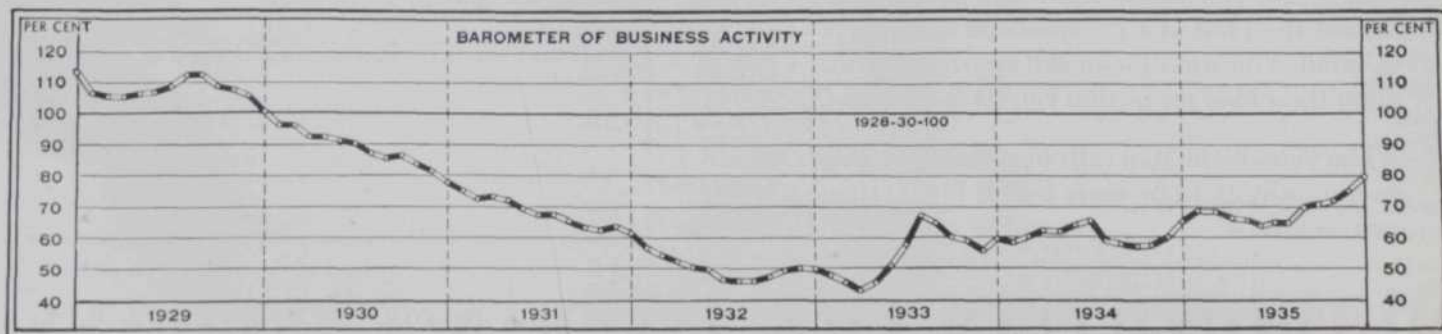


NINETEEN THIRTY-FIVE closed on a cheerful note with business volume surpassing four preceding years.

The year's first four months were rather colorless but as the crop season advanced, trade volume, the stock market and industrial operations expanded. The stock market advances were relatively greater in value than in dealings. Bank debits and bank clearings were the heaviest since 1931.

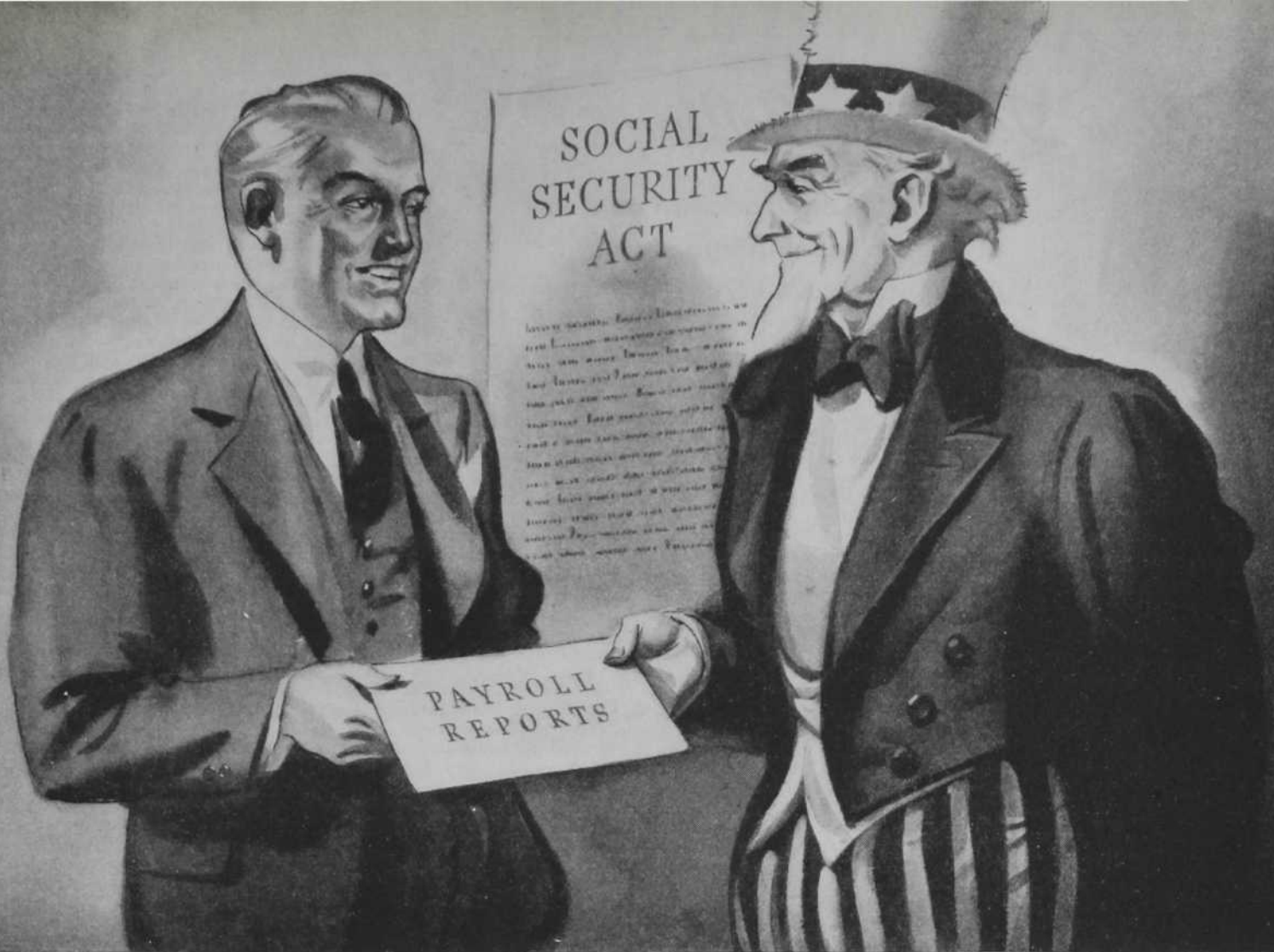
Moving the automobile season forward set up a next to record output of cars which stimulated steel and iron making and bituminous coal mining. Electric power, rayon production and shoe manufacturing broke all records. Washing machines, electric refrigerators, plate glass and oil burners expanded. Cigarette and gasoline consumption hit new peaks. Machine tools and agricultural implements approached record volume. Railroads increased gross receipts and net operating income. Hog slaughter was the smallest in more than 40 years but value was the highest in four years.

Further slight enlargements of white areas will be found in the map



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

The Business Barometer showed marked resilience, all factors rising above November, 1935, and December, 1934, levels. It also touched the highest point reached since November, 1930. Electric power made a new all-time high



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NAME- AND DATA-WRITING EQUIPMENT

New Ideas in Selling

Some notes and comment on a few
of the current shiftings of the
distribution scene

Lard fights back: Lard, which in recent years has been displaced on many housewives' shopping lists by other shortenings, may win at least some of the favor it once held if the plans of certain packers succeed. Aggressive merchandising programs which won many cooks of the country to the newer shortenings are about to be answered in kind by these packers, in several instances through methods which already have been proved by their competitors.

Thus, aside from improving their product, several packers are designating it as shortening, rather than lard and are marketing it under coined brand names, after the fashion of several makers of vegetable shortenings. Under one packer's plan, the word "lard" will be used neither in advertising nor on the container. Containers, incidentally, are being redesigned to increase their attractiveness and visibility.

That the shortening market is worth fighting for is indicated by the fact that the average family consumes 160 pounds annually. It is made increasingly important, from the packers' standpoint, by the additional fact that lard comprises some 14 per cent of the hog carcass.

Fact finding in Pittsburgh: Surveys to determine consumer preferences are nothing new, of course, but there are elements of novelty in a Pittsburgh department store's plan of conducting them. Incidentally, having recently completed its second one in two years, it finds them well worth the not inconsiderable expense.

There's no publicity angle to this store's surveys—they are conducted by an outside agency and the lengthy questionnaire the consumer fills out is in no way identified with the store. Anonymity is important, this store feels, since it prevents possible coloring of the replies. It is equally important to get the questionnaire into representative homes. This last is accomplished by circulating it only in districts from which the store draws trade, and to only one house in each block, the theory being that residents of a given block have about the same preferences and incomes.

Some 6,000 questionnaires—representing between three and four per cent of Pittsburgh's estimated number of families—were completed. A small gift to answerers helped get responses. Questions chiefly concerned merchandise, preferences as to prices, time of buying certain goods, etc.

What were some of the concrete results of the survey? The store learned that the preferred price range in men's suits was a very narrow one. Consequent-

ly it concentrated on those prices. It learned that a certain brand of goods was highly popular. It obtained exclusive representation for that brand.

It found the month and the quantity in which most housewives bought bed sheets, then featured them at that time and in the desired quantities at group prices. It found new proof of the old belief that women buy 75 per cent or more of men's furnishings. Discovery of these and other facts and the merchandising plans that grew out of them increased volume and reduced mark downs sufficiently to yield a handsome profit on the \$3000 cost of the survey.

On the fair trade front: With the resale price maintenance laws (which permit manufacturers to set the minimum price at which trade-marked goods may be sold by wholesalers and retailers) running into legal and other difficulties in some of the ten states in which they have been enacted, indications are that the present Congress will see an intensified drive for enactment of national legislation of this type. Meanwhile, however, druggists' and other retailers' groups in additional states are continuing efforts to add their states to those having the so-called "fair trade" laws.

At this writing it appears that the old Capper-Kelly Bill or its modernized equivalent will again occupy the Congressional spotlight, though there is talk also of amendment of the antitrust and

Federal Trade Commission laws to permit manufacturers doing an interstate business to take advantage of present state "fair trade" laws without the necessity of putting that business on intrastate bases, as is now the case.

Whatever the desirability, or indeed the ultimate practicability, of the present state laws and the projected national legislation, their much debated legality still awaits final settlement. The state laws have run a checkered course in the courts up to the present, and none has yet reached a decision in state supreme courts. Ultimately, of course, the state laws and any federal laws that may be passed will go to the United States Supreme Court for final decisions.

The trend to credit: Perhaps it is an outgrowth of the governmental drive for easier credit terms and encouragement of instalment selling, perhaps it is the natural concomitant of recovery and renewed confidence, perhaps other influences enter. Whatever the causes, recent months have seen retailers in many categories driving more and more towards instalment business. Not only are many cash establishments changing over to credit policies, but numerous stores which have long operated on a credit basis are devising new and alluring plans to attract new credit accounts.

"Planned charge accounts" which permit customers to purchase up to \$30 worth of goods monthly, other types of limited charge accounts, scrip plans under which books of stamps exchangeable for merchandise are sold on credit, spreading of payments over longer periods and granting of terms on new classes of goods—these are a few of the straws that mark the trend.

Commenting on this trend, the head of a large department store—which has adopted a credit policy after doing a strictly cash business for more than 50 years—writes:

"I am convinced that the credit system has come to stay. There is nothing, in my opinion, wrong with the use of credit. There can, however, be a great deal wrong with the abuse of credit."

Illustrating its uses he points to the automobile field and remarks:

"Without time payments, Fords and Chevrolets would have to be sold at much higher prices. The same applies to major electrical appliances."

Significantly, he adds: "At present, stores are making fair charges for credit and"—this may surprise lay readers—"most large ones make a credit profit as well as a merchandise profit. There is always the fear, however, of a general breakdown in the giving of credit terms."

It may be pertinent to add that this fear is shared—though from a different cause, perhaps—by many thoughtful observers outside the retail field. The result of such a breakdown, they point out, might be the assumption of unwarranted burdens of debt, unbalancing of consumer budgets and new disaster.

This, of course, gets back to the ancient argument over instalment selling, an argument which our correspondent has already answered in his remark that the evils of such selling lie not in the use of credit but its abuse. —PAUL H. HAYWARD



COURTESY GENERAL ELECTRIC COMPANY

A new portable lamp demonstration unit permits salesmen to show shoppers various combinations of bulbs, shades and parts to guide their choice

BUSINESS VOTED ROYAL FIRST!

Executives say it with orders—Operators endorse their choice!

From its very first introduction, the demand for the New Royal has steadily increased, because it best meets every typing requirement.

Easier to operate, more convenient, speedier—it produces better typing faster, and at a lower cost per letter. And, what is more, the New Royal lasts longer, with less "time out" for servicing. No wonder Royal's sales are greater today than ever before! Compare the Work!

Royal Typewriter Company, Inc., 2 Park Ave., New York

World's largest organization devoted exclusively to the production of typewriters

**WORLD'S NO. 1
TYPEWRITER**

FIRST IN SPEED

It's faster! There's less retyping! Operators are amazed to see how much more they are able to do on the New Royal.



FIRST IN EASE

Check these exclusive Royal features—Touch Control, Finger Comfort Keys, Shift Freedom. Ease for every typist!



FIRST IN CAPACITY

How things do move in the office with New Royals! Not only is volume greater but the quality also is enhanced!



FIRST IN ECONOMY

Royal's lower-cost operation runs straight through every phase of typewriter performance. And records prove it!



FIRST IN DURABILITY

Day in, day out! Straight typing, manifolded, stencil cutting—every kind of work! These New Royals are built to take it!



NEW *EASY-WRITING* ROYAL



"'BYE, GRANDMA, and don't you worry"

*Grandma need not worry. A modern train is safe—
safer than your own home. Not one single passenger
was killed in a train accident in this country during
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"Safety first" is the railroad man's first commandment. Automatic signaling and countless safety devices conquer rain and fog, sleet and snow, and guard against human fallibility. Railroads know the location of every train every minute of the day and night.

The use of steel equipment is now universal, and steel itself has been improved year after year through research, with the result that rails, wheels, axles, brakes and all vital parts are stronger and more enduring.

You have read of the remarkable speeding up of schedules, of air conditioning, better lighting, more comfortable seats, new personalized services. These improvements have made today's railway trip a new and exciting experience. But underneath them all is *the* fundamental—SAFETY: equipment built for safety; *men* devoted to the safety ideal.

American railroads are heading toward a great future. And in this future United States Steel, world's largest maker of steel, is proud that it will play a part. Steel built the railroads. Now it is helping to make them even more efficient—with equipment that is stronger, lighter, more resistant to corrosion.

Train accident record from latest information at time of going to press.

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CYCLONE FENCE COMPANY • FEDERAL SHIPBUILDING AND DRY DOCK COMPANY • NATIONAL TUBE COMPANY
OIL WELL SUPPLY COMPANY • SCULLY STEEL PRODUCTS COMPANY • TENNESSEE COAL, IRON & RAILROAD COMPANY
UNIVERSAL ATLAS CEMENT COMPANY • *United States Steel Corporation Subsidiaries*



UNITED STATES STEEL

No Business Can Escape Change

And many of those changes will come because of new products developed by other business, such as—

"Soapless soaps" which leave no "rings" are now on the retail market. They produce quick suds, even in cold, hard water, banish soap scum, rinse instantly, are offered in two forms: one for washing silks, woolens; one for shampoos. . . .

Hazards to life and limb are reduced by a new non-skid bath tub. It's made of porcelain-enameled formed metal, has a serpentine embossed bottom, reduced inside slopes. . . .

Forty-six feet of clothes line space is provided by a new collapsible rustless steel clothes dryer, though it occupies but 24" x 23" floor space and stands only 54" high. . . .

Latest help for hostesses is an electric serving table, also usable as a card table or fireplace screen. It sets up simply by holding the top out, legs dropping into place automatically, has a triple outlet, eight-foot detachable cord. . . .

There's also a new kitchen table (25" x 36" Monel Metal top) which has a two-way electrical outlet. The tubular steel legs accommodate the cord leading to wall or floor socket. . . .

Steam and electricity are utilized by a new portable automatic heater. An electric heating unit converts a liquid in the radiator into steam, cuts off at 60 pounds pressure, on again at 30. . . .

Cabbage is cut for slaw or kraut without knuckle nipping by a new device, for restaurant or home use. Rotary cutting blades shred the head and also remove the core. . . .

A machine which simultaneously cooks a frankfurter and bakes a roll around it is now on the market. Hamburger, veal loaf, etc., can also be used. Capacity: 216 units an hour. . . .

Cleaner, drier windshields are claimed with a new wiper blade. Wiping part is a hollow rubber tube, ribbed and perforated; wiping action draws water into the tube, keeping ribs clean. Hanging a glycerine-soaked pipe cleaner in the tube is said to keep off ice. . . .

Ice is also kept from windshields by a new seven-inch long metal-incased device (refillable) which attaches by suction cups and which generates heat with addition of water. . . .

A lately developed rust-proofing treatment for steel products is said also to give improved paint receptivity, life and such adhesion that bending the metal leaves the finish unbroken. . . .

Superior bonding power which minimizes peeling, blistering of paint is claimed for a new lumber primer. It's adapted for use by painter or at mill, is also available in a wall-sizing form. . . .

Old paint is quickly, easily stripped from exterior or interior surfaces, it is said, with a new paste-form remover which is applied with a brush, strips off in a clean sludge. . . .

A recently developed cutting oil consists of a suspension of finely divided sulphur in oil. It's said to allow higher cutting speeds, improve finish of the work, increase tool life. . . .

One-fourth to two-inch holes are quickly cut in glass, porcelain, etc., by a new portable electric ceramic drill. A guide fitted with suction cups holds the unit in place on the work. . . .

Cuts of any length can be made with a new hacksaw, unhindered by its frame. A triangular steel web forms the latter, backing the blade, so that in sawing the frame moves horizontally, the blade diagonally. Longer blade life is claimed. . . .

A new hydraulically powered riveting gun (weight: 9 pounds) and rivet assembly makes possible both the driving and backing up of rivets from one side of the work. . . .



The "snow" isn't as cold as it looks, for it's made of glass fibers. The fibers can be made fine or thick, can be used as insulation, spun into yarn, woven into non-inflammable fabrics

Greater collapse resistance, pull-out strength are claimed for an oil well casing made by a new process whereby the pipe is reduced from a larger diameter by cold compression. . . .

A new air hose, designed especially to overcome deteriorating effects of hot oil from air compressors, is offered for mine, quarry and other work where service is severe. . . .

Said to be highly efficient and to eliminate fire hazard, a new dust collector bubbles dust-laden air first through water, then through overlying oil. Its only moving part is a fan. . . .

Readings are transmitted electrically to distant points by a new scale. It permits weighing in inaccessible places, handling of many weighing platforms by one person, etc. . . .

A new batting-type building insulation consists of a hundred-odd layers of *crêped* cellulose, made from chemically treated wood fibers which have been coated with molten asphalt. It's said to be light, odorless, resistant to fire, moisture, vermin. . . .

A new vest-pocket-size stapler has a magazine which carries 1,000 staples in a single load. It is said to operate easily, can be had with attachments for shade and screen tacking. . . .

Office chairs embodying a new tilting and swiveling mechanism which is squeakless, springless are now on the market. They're said to have easier action, better balance, to need no lubricating. . . .

A new moistener for stamps, labels, etc., consists of a decorative bottle, closed by a velour moistening surface. An aluminum cap prevents evaporation when not in use. . . .

A new line of paper bands for packaging bills, laundry, bakery products, etc., uses an adhesive which needs no moistening. Spots of the adhesive on ends of the bands cling tight when joined, stick to no other surfaces. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

HEAT

• BAKE

• DRY

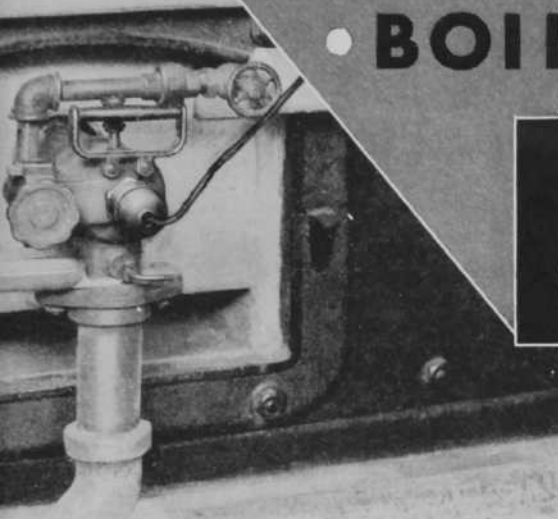
• MELT

• BOIL

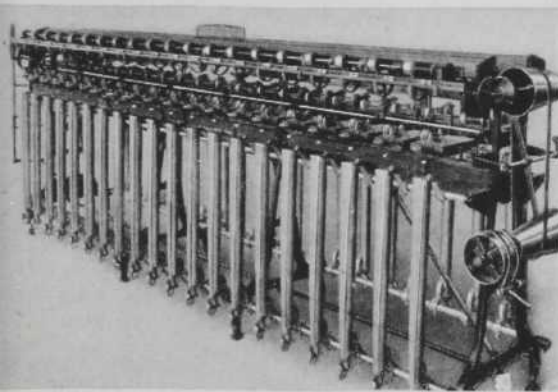
WATER STILL →
C-H Tubular Heater brings
water to sterilizing tem-
perature in this still.

PITCH →
C-H Conduction Heaters
clamped around kettle to
keep pitch at working
temperature.

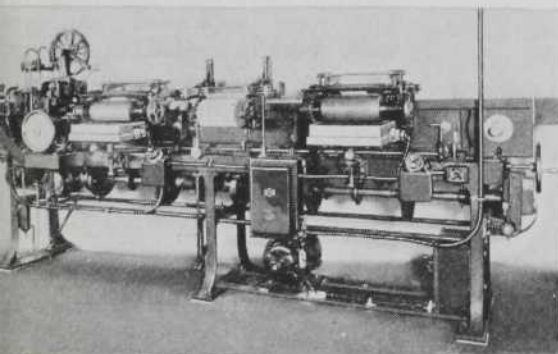
BAKELITE ↓
C-H Space Heaters with-
in oven pre-soften Bake-
lite for drilling and ma-
chining.



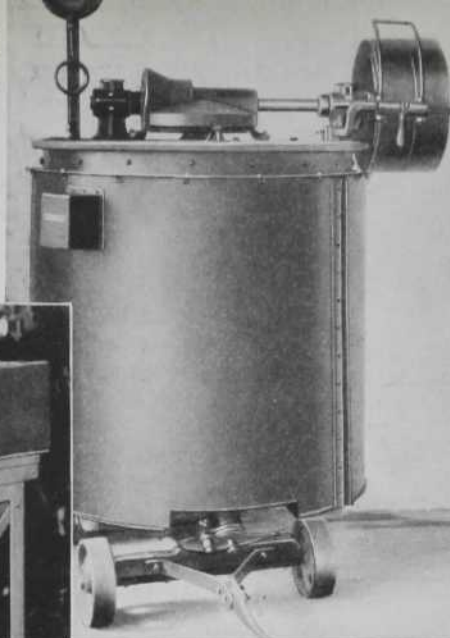
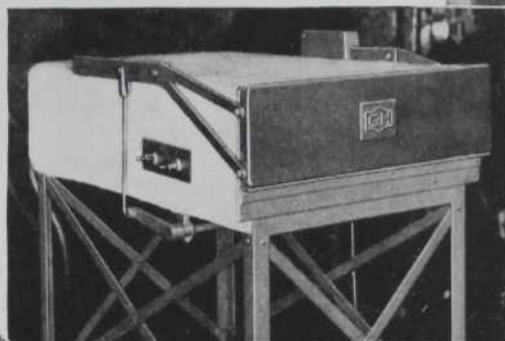
COMBUSTION ↑ — C-H Tubular Immersion Heaters in-
stalled in oil-supply pipe to condition oil for combustion.



THREAD-FINISHING — C-H Conduction Heaters on
machines handling slow-drying threads.



BOOK-BINDING — C-H Conduction Heaters keep glue
to desired temperature in boxes under rollers.



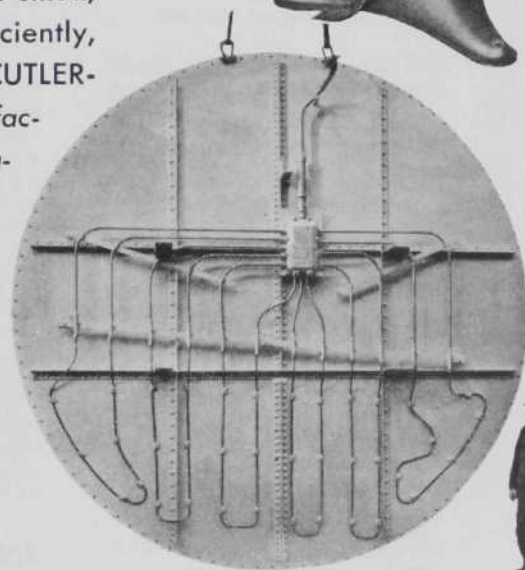
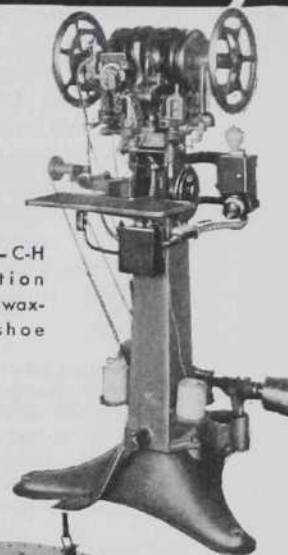
Electrically

● When "shoes and ships and sealing wax" are made with heat . . . when heat must be "spotted" or confined, use Cutler-Hammer Industrial Heaters . . . conductor, space or tubular type. Your heating problem may seem intricate, unprecedented, but chances are its solution already exists in C-H's vast storehouse of experience. No problem is too large, none too small, to be handled by C-H, efficiently, economically . . . enduringly. CUTLER-HAMMER, Inc., Pioneer Manufacturers of Electric Control Apparatus, 1251 St. Paul Avenue, Milwaukee, Wisconsin.

TO MACHINE DESIGNERS

The installations shown on this page barely hint at the manifold possibilities of efficient, profitable industrial heating. In some cases, C-H Heaters may be applied to your equipment as it stands. We suggest, however, that you consult C-H during the drafting-board stage.

SHOES — C-H
Conduction
Heaters in wax-
pot of shoe
machine.



LOCKS AND DAMS — C-H Tubular Im-
mersion Heaters keep Lock Dam Rol-
l gates free of ice for unfailing operation.

CUTLER HAMMER

Some Facts About Bigness

THE attack on big business simply because it is big seems largely to be based on the idea that it is a menace, not only to the consumer, but to the worker.

Here are some facts. A study was presented by Fred Clausen, Chairman of the Chamber's Committee on Federal Finance, at the hearing on the tax bill before the last session of Congress. He took his own industry, the manufacture of farm machinery. The net result of that study was proof that costs of farm machinery to farmers had been lowered because of bigness and that wages to workers were higher in the large plants than in the smaller.

As to the first point, Mr. Clausen showed that tractors today cost the farmer one-half what they did 15 years ago and that, in addition, they are much better, much more efficient. This could not have been accomplished without the resources of the large companies for engineering research and experiment.

As to wages, a study of the more than 600 companies in the farm machinery industry grouped them into four classes:

- A. Those having more than \$5,000,000 capitalization.
- B. Those having from \$1,000,000 to \$5,000,000.
- C. Those having from \$100,000 to \$1,000,000.
- D. Those below \$100,000.

That division was made by the Code Authority of the Farm Machinery industry and when the same Authority investigated wages it found:

In Class A, the large companies, the average rate of earnings in June, 1934, was 60.2 cents an hour. In Class B companies, the rate was 52.8 cents an hour; in Class C, 47 cents; and in Class D, 44 cents.

A somewhat similar result was reached by Prof. Tracy E. Thompson of Ohio State in a paper which he presented to the American Statistical Association in March, 1933. He called it, "The Effect of the Depression on Multiplant Manufacturing Organizations."

By multiplant he meant manufacturing corporations having more than one

unit. There is probably some reason to class them as "big business." The average number of workers in the nearly 12,000 plants from which he had reports in 1929 was 375 for each unit of the multiplant concerns, and 68 for each single plant concern. Wages in the smaller concerns were \$1,365 per worker and in the larger concerns \$1,419 per worker. In 1931, average earnings had dropped in the smaller concerns to \$1,057 and in the larger concerns to \$1,161. In other words, the decline in wages in the smaller concerns per individual was 22.6 per cent and 18.2 per cent in the larger.

Furthermore, the employment was better maintained in the larger concerns. The smaller ones dropped 30.1 per cent in number of earners per establishment and the larger ones only 22.9 per cent.

It is probable also that employment is more stable in large concerns not only because men are not laid off so rapidly, but because large concerns are less likely to go bankrupt. It is

difficult to prove this but, if we can assume that liabilities are an index of size when a company does fail, we find that in 1932, the year of the greatest number of failures, 31,822 companies went into bankruptcy. Of these, only 1,600 had liabilities exceeding \$100,000, while some 30,000 were in the classes below that. It is only an assumption, but it is a likely one, that more men were thrown out of work by the 30,000 small failures than by the 1,600 large ones.

Wages in companies with pension plans and companies without have also been compiled. If we accept that those with pension plans are on the whole larger, we find that wages in 1927 averaged \$1,504 for all companies examined, and \$1,719 for companies with pension plans.

WE KNOW also that, during the depression, industrial companies made large expenditures in providing work and wages. In manufacturing in the years 1930-34 inclusive, neither employment nor pay rolls showed as severe declines as the declines in volume of production and sales. Had manufacturing employment decreased at the same rate as production, and had productivity per worker increased at the same average rate as that occurring between 1923 and 1929, manufacturing enterprises would have employed an average of about 1,300,000 fewer employees than were actually retained. In other words, during five years of depression, manufacturers provided work for an average force of more than one million more employees than were actually needed to produce their current output.

In maintaining the excess force of employees, manufacturing enterprises necessarily incurred heavy expenditures. In relation to total value of manufacturing output, at current wholesale prices, the total disbursements to employees as wages, salaries, and benefit payments were substantially higher than the 1929 ratio in each of the five succeeding years. Had total compensation of em-

Coming in March

★ ★ ★

Is It Slum Clearance—or What?

By Frederick A. Van Fleet

CONCEDING that it is a good thing to spend \$130,888,000 of public money for slum clearance and low cost housing, the taxpayer still has the right to inquire whether his money is actually ending slums or merely moving them. Although the figures are large, the problem is still one of simple arithmetic as this writer proves in a fact-finding study based on official records.

It Can Be Done!

By O. K. Armstrong

ARGUMENTS against federal invasion of state activities are based on the assumption that local governments can handle their own affairs more efficiently than they can be handled from Washington. Is this actually the case? This examination of public finances in two states points an answer.

John Smith's Saturday

By Ronald P. Foxcroft

WE'RE sure you will get enjoyment—and a new picture of America—as we did, in following throughout a day a representative of the least known but most powerful "economic autocracy" in the world.



Announcing NEW CHEVROLET TRUCKS FOR 1936

New Power . . . New Economy . . . New Dependability



NEW PERFECTED HYDRAULIC BRAKES

always equalized for quick, unswerving,
"straight line" stops



You are looking at the *most powerful* truck in all Chevrolet history . . . and the *most economical* truck for all-round duty . . . Chevrolet for 1936!

The brakes on these big, husky Chevrolet trucks are *New Perfected Hydraulic Brakes*—the safest ever developed. The engine is Chevrolet's *High-Compression Valve-in-Head Engine*—giving an unmatched combination of power and economy. The rear axle is a *Full-Floating Rear Axle* of maximum ruggedness and reliability. And the cab is a *New Full-Trimmed De Luxe Cab* with clear-vision instrument panel—combining every advantage of comfort and convenience for the driver.

The new Chevrolet line for 1936 includes a truck for every delivery and haulage need . . . and each is a *real truck with full-strength truck-units* throughout.

Buy one or as many as you need, and *up will go power* and *down will come costs* on your delivery or haulage jobs.

CHEVROLET MOTOR CO., DETROIT, MICH.

6%

**NEW GREATLY REDUCED G. M. A. C. TIME
PAYMENT PLAN**

*The lowest financing cost in G. M. A. C. history.
Compare Chevrolet's low delivered prices.*

A GENERAL MOTORS VALUE



NEW HIGH-COMPRESSION VALVE-IN-HEAD ENGINE

with increased horsepower, increased torque,
greater economy in gas and oil



NEW FULL-TRIMMED DE LUXE CABS

with clear-vision
instrument panel



FULL-FLOATING REAR AXLE

with barrel type wheel bearings
exclusive to Chevrolet

LEIPZIG

TRADE FAIRS

FOR 700 YEARS... THE WORLD'S MARKET PLACE

AS A BUYER or business executive interested in increased profits for 1936, you are invited to attend the coming Spring Fair in Leipzig, Germany, opening March 1st.

The importance of these semi-annual Trade Fairs as an international market, is demonstrated by the fact that 200,000 business men, representing 75 nations, attend them regularly. The growing list of American buyers who make the trip to Leipzig further attests to its profit possibilities for exhibitor and buyer alike. Here in Leipzig you will find 8,000 exhibitors from 25 countries displaying the latest in every conceivable line of merchandise, semi-finished products and technical equipment. The exhibits are housed in 36 Exhibition Halls and Fair Palaces (many of them larger than Madison Square Garden in New York City). All are classified and conveniently grouped to save your time and make comparison easy. In this way you cover the offerings in your particular line from every important world market—and all in one week's time. The 6,000 exhibits in the *General Merchandise Fair* (March 1st to 6th) cover every possible line of interest to the specialty and department store buyer. In the *Great Engineering and Building Fair* (March 1st to 9th), some 2,000 exhibitors demonstrate the latest achievements in machinery and technical equipment for the industrial executive, engineer, architect and technician.

Plan now to visit the coming Spring Fair. Let us show you in advance the profit possibilities a trip to Leipzig offers your firm. Write for Booklet No. 30. It involves no obligation. Our New York Office, or an Honorary Representative in your vicinity, will be glad to co-operate. Leipzig Trade Fair, Inc., 10 East 40th Street, New York City.

A number of outstanding German manufacturers—recognized leaders in their respective lines—are now seeking new representation for the United States. Interested parties are invited to communicate with us for full details.

The Administration Building on the old market square



ployees declined in the same ratio as the reduction in the total value of manufactured products, employees would have received annually an average of about \$1,200,000 less than the total amount that was actually disbursed.

The estimated aggregate excess compensation of employees during the five-year period, 1930-34, approximated \$5,800,000,000.

THE Administration has charged that industry has not done its duty in bringing about reemployment; that production has gone up faster than employment and employment faster than wages.

These statements are open to dispute. For one thing, the statements as to excess employment by industry must be considered.

The lowest point of industrial production came in 1932, and likewise the smallest number of persons employed in industrial production. But, while industrial employers had to reduce their output between 1929 and 1932 by 47 per cent, they decreased the number

of their employees by 39 per cent.

In other words, they kept at work in one way and another many more persons than they needed for current production.

Because of the fluctuations in conditions throughout the year, yearly averages alone reflect the real trends. These yearly averages for 1933 now demonstrate that by-and-large in that year production rose but little more than enough to bring back into direct production the employees who were extra the year before. In 1934, however, the number of employees in industry rose out of proportion to production.

The average index number of the Federal Reserve Board for physical industrial production in 1932 was 53; for 1934 it was 65.5.

The employment index on the same basis for concerns engaged in industrial production was 61.1 in 1932 and 75.2 in 1934.

For the first nine months of 1935 the monthly averages showed still greater discrepancy, for employment being 77.3 and for production 73.1.



© NEW YORK HERALD TRIBUNE

"Just wait until Senator Nye catches him"

Radio on the March

THE Radio Corporation of America during the past year has participated in and contributed to the revival of business activity. During 1935 the RCA research laboratories and experimental workshops developed many new products and services. These already are stimulating public demand and leading to increased employment. The various members of the RCA family have collaborated in the advance made by RCA in the field of universal radio service. A partial listing of these contributions follows:

RCA MANUFACTURING CO., INC.

Introduced a new line of home receivers, featuring the "Magic Eye," an improved "Magic Brain" and All-Metal tubes; also a 22-tube radio-phonograph including home and radio recording, and offered a library of 460 records of the world's greatest music.

Perfected a new double sound track method of talking picture recording which greatly increases fidelity of reproduction.

Developed a gun detector which automatically sets off an alarm when an attempt is made to smuggle a weapon past the device.

Introduced cathode ray oscillographs and other accurate electrical measuring devices for laboratory and service work.

Developed a new "electron multiplier" which makes possible amplification of the order of millions of times within a single tube.

Produced new types of tubes and improved receivers and transmitters for amateurs.

Made marked advances in exploring and developing the field of ultra-short waves.

Produced an improved optical reduction printer to make 16mm. sound prints from standard-size motion picture negatives.

Established its own aircraft hangar to provide a continuously working demonstration of aviation radio communication apparatus.

RCA COMMUNICATIONS, INC.

Five cities were added to the RCA inter-city radio-telegraph system which now links New York, Boston, Philadelphia, Camden, Baltimore, Washington, New Orleans, Detroit, Chicago, San Francisco, Los Angeles, Seattle.

Work was started on a 200-kilowatt short-wave transmitter, which will be the highest-powered of its kind in the world. It will assure even more efficient transatlantic commercial service.

A specially designed telephone switchboard was installed at the central office in New York to speed up international communication service to direct-wire customers.

A new "radio switchboard" which enables one operator to route signals from 20 or more countries eliminates delays in communication with smaller nations.

RADIOMARINE CORP. OF AMERICA

A new Birthday Greeting radio telegram ship-and-shore service was inaugurated.

Motor lifeboat radio equipment, with a range of 75 miles, was introduced. The new instruments are compact, sturdy, simple in operation, and will prove invaluable in service.

A new, compact radio direction finder for yachts and small ships was developed.

Tests in transmitting complete weather

maps to ships at sea were concluded and limited service will now be started.

A Radio Gift Service, enabling friends ashore to send gifts to passengers on large ships, was popularized.

NATIONAL BROADCASTING CO.

Continued erection of so-called anti-fading antennas at broadcasting stations, to improve service to outlying areas.

Installed additional 50-kilowatt transmitters, enlarging broadcast areas and providing stronger signals.

New studios, equipped with the latest perfected apparatus, were opened in Hollywood as part of the development of the film capital as an important source of programs. Construction also was begun on new studios in Chicago.

Many improvements were developed in the use of ultra-short wave in field pickups from airplanes, trains, boats, etc.

World-wide broadcasting service was made even more reliable through improvements in methods and apparatus.

A self-operating transmitter with automatic volume control was developed for use by the balloonists in the record-breaking stratosphere flight. A perfectly-executed aerial tie-up made possible two-way conversations with the balloon and the China Clipper, a London newspaper, and several stations in this country.

Many advances in acoustical science were made in the studios.

In these and other RCA services, the public finds every facility in the field of radio for business, pleasure and the safeguarding of life on land, sea and in the air. Many additional developments, such as television and facsimile are now taking form as a result of RCA research. Radio will have an increasingly important part in the affairs of every day life during the coming years.



Demonstrations of the scope and utility of RCA services are included in the enjoyable RCA Magic Key program each Sunday afternoon at 2 o'clock, E. S. T., over an NBC-WJZ nationwide network.

RADIO CORPORATION OF AMERICA

RCA BUILDING, RADIO CITY

RCA COMMUNICATIONS, INC., 66 Broad St., New York—HANOVER 2-1829 • RCA MANUFACTURING CO., INC., Camden, N. J. and 411 Fifth Ave., New York—ASHLAND 4-7605
RADIOMARINE CORP. OF AMERICA, 75 Varick St., New York—WALKER 5-3716 • NATIONAL BROADCASTING CO., INC., RCA Building, Radio City—CIRCLE 7-8300

Home Town Folks Have Changed

By EDWARD ANGLY

ONE of my friends from far beyond the Alleghenies remarked recently that we are suffering from too much metropolitan thinking.

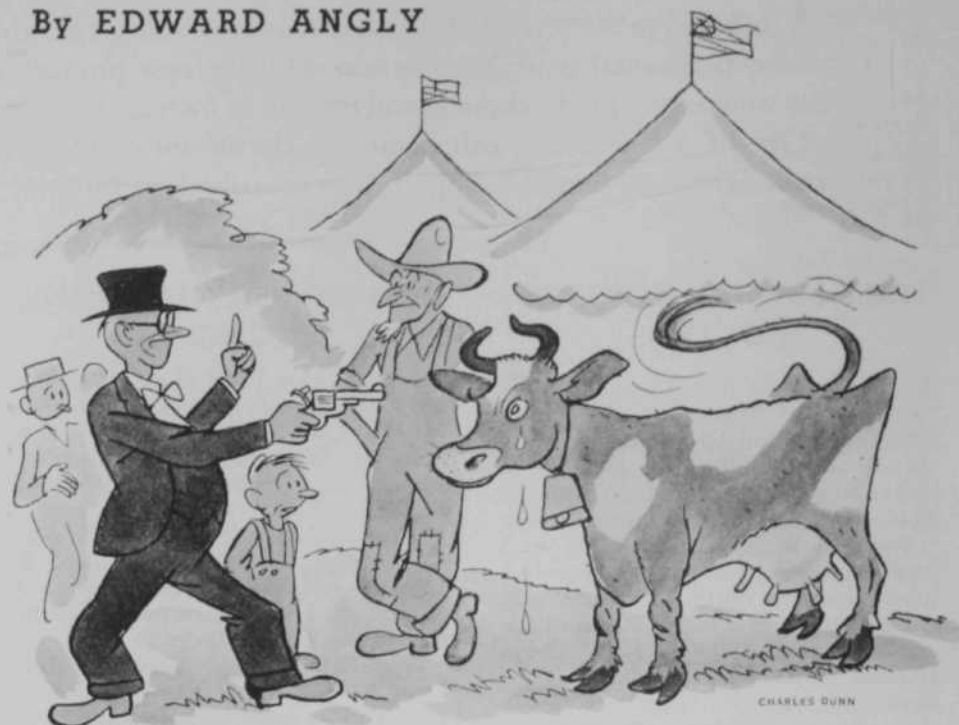
"The trouble is that most of the stuff printed about the new things the Government is doing and the way people take these things is that it is written by fellows in Washington, New York and the other big towns. They don't know what the real bulk of the country—the small-town and the cross-roads folk—is thinking and doing.

"If you would find out you must go get yourself a breath of fresh air among real Americans who have a wholesome outlook and an honest everyday attitude," he said.

So I got out of the big cities. I visited my old home town and a couple dozen other country towns where a lot of people I know say they wouldn't live in New York or any other big city if you gave them half the place.

Two thousand miles from Forty-second Street I called one afternoon to pay my respects to the kindly old gentleman who brought me into this world, back in the era when babies were born at home. The customary fee for a delivery in our town, at that time, was \$15. In his seventies, Dr. Ben is still active every day and many a night, making his calls not only in town but in the country. Everyone calls him by his first name. In that there is no disrespect. It just happens to be the easiest way to distinguish him from his brother, Doctor Herbert. They have been practicing medicine in my home town half a century, ever since they got out of college. Their father practiced there before them. If any one knows what kind of people inhabit that section of the country, I'd say Dr. Ben and Dr. Herbert surely do.

We fell to talking of the horse-and-buggy days. Before they became old and died, one after another, each of Dr. Ben's successive horses got to know pretty nearly every mile of road



You just led old Bossy to the Fair Grounds and watched them shoot her—then you took the cash and carcass away

TO LEARN what the American people are really thinking and doing, it is often argued, one must go to the small towns and hamlets. Re-exploration of the old home town brings some disquieting discoveries to this metropolitan newspaperman

in the country. He compared the customs of those days with the present. People had changed a lot, he observed.

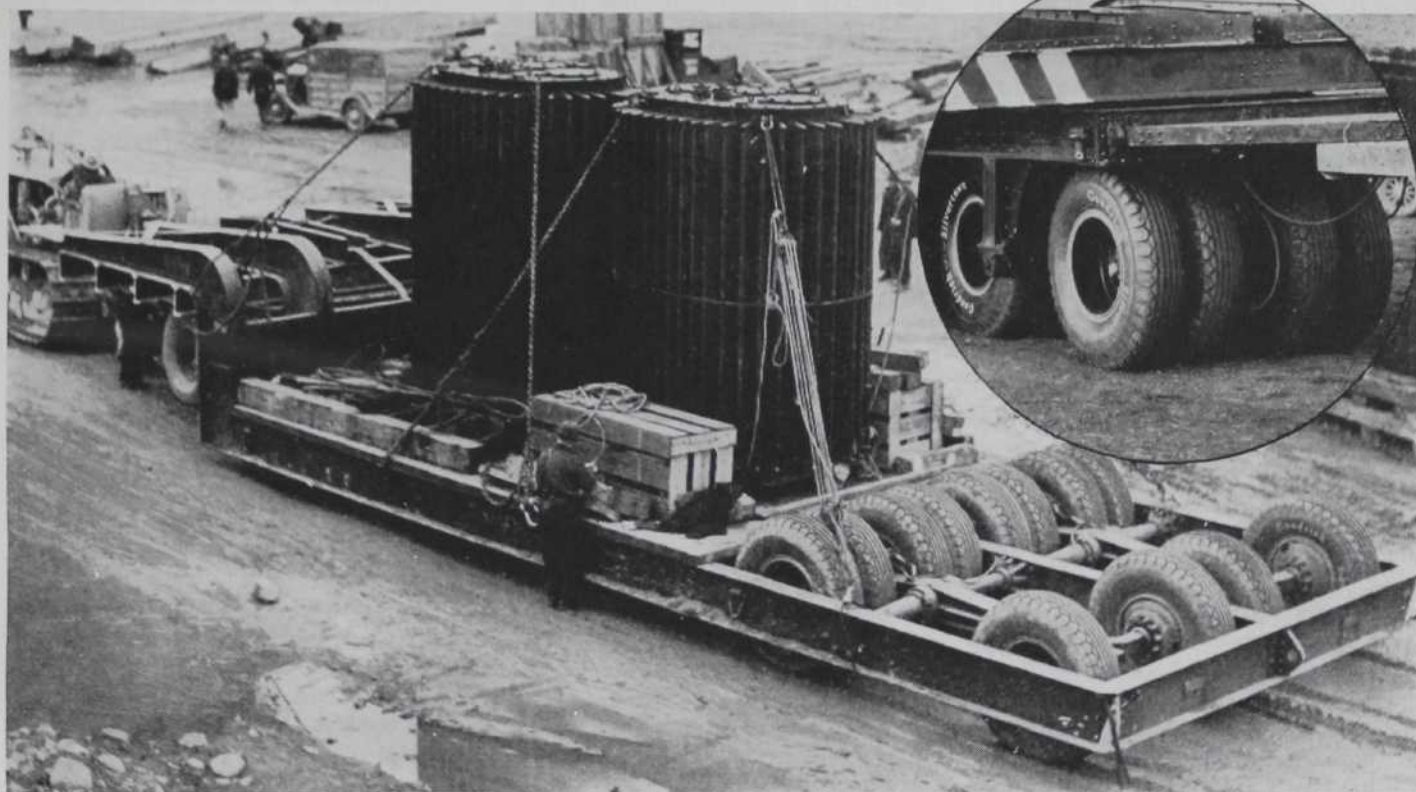
"When you were a boy," he said, "I could have drawn a line across a map of the county, a line from Neches to Frankston, thirty-odd miles, and I couldn't have named a patient east of that line who didn't do his best to pay his bills and support himself. When his cotton had been sold in the fall, the farmer would drive into town and go around making settlements with the banker or the commission merchant who had advanced loans at planting time, with the others whom he owed, the doctor included. If he couldn't pay his bill,

perhaps because of a short crop or low prices, the farmer always called to explain why, to apologize for the delay, to speak hopefully of next year. Nowadays the children of those people drive their cars into town every few days, but I don't know a dozen of them who would think of voluntarily looking up a creditor to express chagrin at letting a bill go unpaid.

"Their fathers never dreamed of looking to the state government, even less to the national government, for support. Government, to them, was something that provided protection and order—not help and handouts. We had our droughts in those days, just as we had last year, and floods, just as we had this spring, and other calamities. There were high-price years and low-price years. People accepted the bad times with the good as a part of life. If a man were really down and out, local charity took care of him. Those who were temporarily stunned could depend on their neighbors.

"To my knowledge nobody ever starved in this county. Nearly everything man or beast requires for sustenance can be grown here. Compared

80-TON LOADS *Don't Scare These Tires*



NEW TYPE TRUCK TIRES USED ON GIANT 20-WHEEL TRAILER AT GRAND COULEE DAM

They had a tough transportation problem at Grand Coulee Dam. Heavy equipment and materials had to be hauled 30 miles or more over rough roads to the site of the dam. It takes a crawler tractor to supply the power!

So the contractor built what is believed to be the world's largest trailer. Built for loads up to 60 tons. The trailer itself weighs 20 tons.

To carry this gigantic load they use the new Triple Protected Silvertowns—the tires that have proved themselves on the hardest hauling jobs in the country!

These new truck tires have a revolutionary invention incorporated in the sidewall. The invention actually checks 80% of premature failures. It means that tires stand up longer

under the battering, bruising punishment of construction work.

Tires that carry 80-ton loads at Grand Coulee will handle *your* job right, too! One tire failure on an important job may cost you hours of delay—men and equipment idle—a big repair bill. Why not play safe? Get the tire that's just as strong in the sidewall as it is under the tread! Here's how triple protection works:

1 PLYFLEX—a new, tough, sturdy rubber material with greater resistance to stretch. A layer of Plyflex in the sidewall prevents ply separation—distributes stresses—checks local weakness.

2 PLY-LOCK—the new Goodrich way of locking the plies about the bead. Anchoring them in place. Positive protection against the short plies tearing loose above the bead.

3 100% FULL-FLOATING CORD—Each cord is surrounded by rubber. With ordinary cross-woven fabric, when the cords touch each other, they rub—get hot—break. In Silvertowns, there are no cross cords. No friction.

FREE! 44-PAGE HANDBOOK FOR TRUCK OPERATORS

Every truck owner, every driver should have this big 44-page handbook. Gives commodity weights, tire load capacities, inflation schedules, dual spacing chart, load analysis and other useful information. No obligation. Write for free copy. Dept. T-54, The B. F. Goodrich Company, Akron, Ohio.



Goodrich *Triple Protected* Silvertowns

SPECIFY THESE NEW SILVERTOWN TIRES FOR TRUCKS AND BUSES

to other sections we've never known a real depression. On top of good cotton prices, government checks galore and the fact that the railroad is paying the 1929 scale of wages to the shopmen and trainmen, we've had a steady stream of lease and royalty money coming into the county ever since they struck oil, three years ago. Nevertheless as soon as damage is done by too much sunshine or too much rain, or too much or too little something else, committees get together and send frantic telegrams to the state capital and to Washington, begging immediate help and plenty of it. Other sections are getting it, they say, why not us?"

More "charity patients"

IN THE corridor of the same building I met another physician ripe with years and experience. At his old roll-top desk we talked of the increasing disposition of people to ask the relief station to provide medical service for them. The fathers of some of these folk had been "charity patients" before them, but others of them spring from what used to be called good, dependable stock. It was their parents' custom to try to pay their way through the world, however tardily.

Bureaucracy, with its regulations, red tape and elaborate instructions for the white-collar clerks who must make decisions at the tail end of the line, seems to have hatched some queer criteria for judging which sufferers are eligible to ask Uncle Sam to provide medical service. A few weeks ago a man with a chronic organic disease asked at the relief station to be sent to a doctor. He was told that he was ineligible because relief didn't apply to chronic cases. One of his neighbors, burdened with a gall stone which in 20 years had grown to the size of a small cucumber, was relieved at government expense—several hundred dollars altogether, for fees and hospital service. Could some official in distant Washington have ruled, that, after 20 years, a gall stone becomes acute?

Another doctor in my home town got pretty sore at Uncle Sam's relief rules after he had treated, at the request of the Emergency Relief Administration office, a man whose leg had been severely burned. The leg had to be dressed every day, a delicate task requiring nearly an hour's time and about a dollar's worth of fresh cotton, gauze and medicaments.

When the burns had healed, the doctor sent to the relief headquarters his bill, computed at the usual rate of \$2 each for office calls. Some time later he was flabbergasted upon finding in his mail a government check for only one-fourth the sum of his bill. An accompanying letter explained that, under rules wrought in Washington, 50 cents per office call was all the relief administrator was allowed to pay.

Down at the junior high school the PWA is spending several thousand dollars to provide an athletic field. The school commission provides the material, the Federal Government pays for the labor. But there is one worker the local commissioners found it advisable to select and pay themselves. He is the foreman. One of the commissioners told me why. Under the Washington rules a man works only three days a week on such a project, and the wage-scale board limits his monthly earnings. So no one can be a foreman all the time. Today's straw boss may be tomorrow's water boy. Unless he wants to be driven harder than he likes, today's foreman isn't going to push his men, for one of them may be his boss tomorrow.

At drug-store fountains, on downtown curbs and in courthouse corridors there is a steady flow of stories

make good if provided with a running start.

One afternoon when I went to a cross-roads store out Blackfoot way a rural group assembled there was talking about Clint Jones and how he slipped to the Government the farm Old Lady Weemden had sold to him. She had bought the place with the insurance money soon after becoming a widow. Since she passed most of her time sitting in the rocker, the farm ran down until weeds and bermuda grass covered almost everything except the weatherboards and roof. She had 60 acres. Clint paid her \$600 for the property. The very next week he turned around and rented 30 acres of it to the Government for three years, and received \$300. So he got back half his investment right away and still had half the property to utilize as he pleased. Putting the place in apple-pie order for the family it moved in to undergo rehabilitation cost the Government \$845. Clint figured he'd made a fine deal with Uncle Sam.

From Clint's deal the cross-roads conversation caracolled to the other side of Hurricane Creek, where Jack Flowers had rented a farm to the Government. A man has to get up mighty early in the morning, someone said, to hold his own with Jack.

Yes, sir, he said, Jack didn't only rent the farm; he helped Uncle Sam pick out a family to be rehabilitated on it. He wangled it so that the Government chose that boy of his, Jack junior, with his family, and the Government did a right handsome job fixing the place up for them. It was the senior Flowers' cousin, Will Waterman, who sold the Government the horse and the cow which were turned over to young Jack to do their bit in his rehabilitation.

Helping his sales

THAT reminded someone of Ward Brewster, the farmer who had the north end of the county under his jurisdiction last year in the government plan for lending

farmers money with which to buy live stock. Art Mason wanted a couple of mules and went to Brewster to see if he could stir up a loan. Brewster arranged a government loan of \$300 and Art bought two mules. He bought them from Ward Brewster.

All over the county last year the Government bought hundreds of cows and destroyed them. You just led old Bossy to the fair grounds, watched them shoot her, and then you took the



Right away he rented 30 acres to the Government for \$300. Clint figured it a fine deal

telling how this or that neighbor put over a fast one on the government men in charge of rural rehabilitation. That is the program by which the Government leases land in 30 or 40 acre parcels, at \$100 a year for three years, repairs the house and barn, buys a horse or mule, a rooster with harem, pigs, plows and seed and then escorts to the place a farm family which has made a failure—all in the beneficent hope that the family will

cash and the carcass away. You were paid \$12 for each cow thus offered as a sacrifice to the god of scarcity. Will Gregory was telling some of us who were sitting in a ten-cent limit game one evening of an experience his tenant had with a cow. This tenant had borrowed from one of the government lending agencies. There are more than you can shake a signature at now, you know, most of them competing directly with the banks. One grants seed loans, another makes advances to those who agree not to plant seed, a third lends against chattels, a fourth finances improvements on the farm, and so on. Will's tenant put up his live stock as security for his government loan. Last autumn he paid off most of his indebtedness after getting his share of the cotton-crop money. But this spring he still owed \$6.

A government collector called at his shanty and asked for the money. Will's tenant said he just couldn't scrape up \$6 at the time.

Collecting the loan

"WELL," said the collector, "I've got an idea to help you do it. Why don't you take your cow to the fair grounds and let the federal agents kill her. They'll give you \$12. Then you can give me the \$6 you owe us and you'll have \$6 left for yourself. I've got to clear this loan off the books. It's orders. Under Section 6A, Paragraph C of this blue sheet you see here, the rule says this isn't a loan that is eligible for extension."

Will's tenant asked for a couple of days to think it over. He thought as hard as the limited amount of stuff under his kinky hair would permit, but he couldn't think of a way to keep on providing milk for his children if he let the Government kill his milch cow.

Finally he drove his rickety flivver into town and told his story to Will. Will let him have the money to save the cow, the way landlords used to do before Washington took over the direction of agricultural operations.

Not long ago they moved the relief headquarters in my home town. The morning paper had a story about it on the front page.

It was just a straight-forward news item, but some folks seemed to think it highly amusing. Here's the way it read:

The City Council decided yesterday to find a new headquarters for the County Employment and Relief office, now quartered in the Boyd Building, West Lacy at North Jackson, after receiving many complaints regarding congested traffic conditions around the popular agency.

Members of the council were told that "customers" of the relief bureau and employees parked their cars around the

front of the building in narrow West Lacy Street, almost blocking the street.

The problem thus arising was discussed at intervals for an hour or more before some one thought of the removal solution. A site on South Royal Street—a large old residential building with acres of space around it that might be used for parking was hit upon as the most suitable site. The city officials agreed to offer the agency having this property in charge a year's contract.

Officials said the police had been called to the present relief office on various occasions, but they saw no way of correcting the parking problem there.

A good place in which to listen to the talk of farmers is Newt Higgins' feed store. Newt thinks it's rather queer he should be selling Mexican and Argentine grain this summer since only a little while ago American farmers were being paid not to grow so much corn and wheat. Quite an argument enlivened his store one Saturday afternoon when Roy Norton allowed he thought the government owed every citizen a living. Norton doesn't have much time for reading, but he's a great one for listening to the radio.

"A few years ago," Newt remarked to the assembled customers, "the idea that the Government owes a living to the man who isn't making one for himself wouldn't have entered a one of your heads.

"We've been shaken down before by hard times in this county, by low prices and tough weather, but we always pulled out of it by ourselves, somehow."

When the talk turned to government loans for agricultural purposes, Wes Sleeper said he had got one last spring.

"I've always been a do right," he said, "and I reckon I still am. I aim to pay old Uncle Sam if the crop comes through and I get a good price. But if I can't, well, owing the Government ain't as if I owed a bank or a neighbor.

"The Government's got plenty of money, and it sure knows where it can get plenty more."

Farming becomes uneconomical

MACK BRENNON has a farm bigger than most of those in the county. He complained that the allotment board had allowed him to put only 145 acres in cotton this year.

"I can't make money running my place with only 145 acres in cotton," he said. "So I gave up cotton almost altogether this year and sent my tenants to the relief headquarters. If I can't run my farm like I want to, let the government take care of them. Why the hell not? That's what the manufacturer does when he cuts production, isn't it?"

"They cut me down to 15 acres," Bud Boatman said. "I figured I could

handle that without help, so I went into town and found out from Judge Wharton how to get my boy John a place in a CCC camp. He has to send part of his pay home every month and I don't think he likes that so much, though we're putting it aside for him. But everything else is fine, he says.

"The work isn't near so hard as working on the farm, there's a fine bunch of fellows, and two nights a week they put the crowd in government trucks and take them into town to the picture show."

The talk turned to what the Government would do with all the millions of bales of cotton it had taken over on those 12-cent loans. Every one in the store seemed agreed that the loans had been a fine break for the cotton grower.

If the price rose about 12 cents a pound he could sell his cotton any time he pleased, and if it stayed below 12 cents, why he kept the money and good old Uncle Sam was left holding the bales.

"That's one time," said Wes Sleeper, "when the Government said, 'Let's flip, boys; heads I lose and tails you win.'"

To plant or not to plant

"ON wheat," Bob Johnson remarked, "the Government's gone itself one better than it did on cotton. I see by the papers that they paid them rental money out in the wheat belt not to plant wheat and telling them to go on and plant it anyhow, on account of the drought came along and made a shortage they hadn't counted on in their calculations. Yes, sir, Uncle Sam just up and said, 'Fellows you've signed up to take those acres out of cultivation. Well, now, you just go ahead and plant them and we'll keep our part of the bargain and pay you just the same as if you had let 'em stay fallow.'"

Wes asked me how long I was going to stay in town. I told him I was going down to the state capital that night to see the Governor and a few other officials. After that, as the general conversation proceeded, more than one of the neighbors eased over to ask, quietly, if I could do anything to help some kinsman get a job with the state. The public pay roll, they all hinted, was the one sure bet these days. The salary came in steady and you didn't have to pay income tax on it.

The next week, as I went about making my farewells before starting back east, one acquaintance said, "By the way, you know quite a lot of these high muckety-mucks in Washington. I'm wondering if you could do anything to get my boy Chris a government job—"

A Cure for the Blues

A BANKER told us this story. He preferred not to be quoted but, as he sat in his office, recalling his conversation with the blacksmith-philosopher, he seemed to take such comfort out of the experience that we are passing it on to you in the banker's own words, as nearly as we can recall them

AN IRON plate, 12 inches square and half an inch thick, was required in leveling the boat house, so one hot day last August I put-putted to the village to obtain such a plate and incidentally to sit in the sunlight of the wisdom of my old friend, Jim Stevens, the village blacksmith.

I found him seated on a nail keg in the center of his shop, smoking his pipe in an atmosphere of peace and contentment.

"Well, Jim," I said, "you appear to be enjoying life."

"Sure," he replied, "why not? The wife and I have just got home after visiting relations and old friends. We had a fine time. You know I don't have to work as hard as I used to do when you and I were younger. I am now 65. I don't shoe horses any more, but just putter around at odd jobs. Emily nags at me every now and then, wanting me to sell the shop and quit working, but how can I do that? In the first place, work is second nature with me and the God's truth is my heart centers in this old blacksmith shop. I love the smell of it and when I have nothing to do in the garden or down at the boat house, I wander into the shop to sit on this nail keg and think things over, just as you found me."

"You're a lucky man, Jim," I told him.

"Lucky, yes," he retorted, "but I made my luck. I have a few thousand dollars out on farm mortgages and I have built and sold about \$10,000 worth of houses in the village, so I don't have to worry about anything. Both of our boys are married and doing well. I can go fishing or visiting whenever I take a notion and every



"I'm a capitalist—I have some money out in farm mortgages and I own some houses"

fall I go back to the Northwoods and get my deer."

We laughed in each other's eyes as I slapped him on the chest. "You're a character, Jim," I said, continuing, "I need a 12 inch square of half-inch iron. How about it, have you got such a piece of scrap lying around somewhere?"

"No," he replied, "but I have a bar of half-inch iron, three inches wide which I can cut into four strips for you, if that will suit."

"Go ahead and cut it," I returned, "I'll wait for it."

A worker's view

I THEN took the blacksmith's seat on the nail keg while he gathered together shavings and built a fire to heat the iron for cutting on the anvil.

As he was leisurely blowing up the fire, pumping the bellows with his left hand, I regarded him critically. Just an ordinary human being, this blacksmith, I thought, shrewd and naturally wise.

"Jim," I said casually, "what do

you think of all these goings-on throughout the world, national and international nervousness and this theory of a more abundant life through a new socialized condition?"

The blacksmith relaxed his pressure on the bellows. He waved his hand toward me and said:

"I'm glad you asked that question; only yesterday our Minister drifted into the shop and sat down on that keg exactly where you are sitting this minute. He looked at me in a mystical way.

"Jim," he said to me earnestly, "there is a new dispensation ripening in this country. I have been thinking intently of late and a great thought has come to me, a wonderful conception. It is evident that the Spirit of the Master is reincarnating once again on earth in various marvelous men."

"You don't say so," I said, pumping away here at the bellows.

"Yes, Jim, I mean it," he went on. "I mean every word of it."

"Look at the number of men today who are showing a passion for char-

1886

1936

THE GOLDEN ANNIVERSARY

of the first practical calculating machine

IT WAS Thanksgiving Day in 1884 when a young Chicago machinist set out to remedy man's traditional inadequacy in the face of figure work. His hope: a machine that would calculate—without fatigue, without inaccuracies, without limitations of memory or physical strength. The idea was not new. Attempts had been made as early as the 10th century, but never had a practical machine been developed.

Bravely this young man started to translate his ideas into a model. His materials were limited: a macaroni box from the grocer's, skewers from the butcher's, elastic bands for springs, and a jack-knife as his main tool. By January his wooden model was completed. Another year of improving and refining, and he produced a workable model in metal. This was the first "Comptometer," and



The first "Comptometer" model—built in a wooden macaroni box.

the young inventor was Dorr E. Felt, who shortly was to organize the Felt & Tarrant Mfg. Co., in partnership with another Chicagoan, Robert Tarrant.

Thus was born the first of all the modern multiple-order keyboard adding-calculating machines, herald of a new era in accounting and figure work of all kinds. Today's world-renowned "Comptometer," developed to a new efficiency and for a vastly

broader scope of service, is a perfected evolution of it. The wide use of the "Comptometer" and "Comptometer" methods—for fast, accurate handling of many different types of figure work, for simplifying and expediting management control—is a direct development of Mr. Felt's idea as originally embodied in a macaroni box. Felt & Tarrant Mfg. Co., 1712 North Paulina St., Chicago, Ill.



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ity and good works. See what they want to do for the poor and lowly, how they intend to take from the rich and give to the poor so that all men shall in reality be equal, as God intended that they should be.'

"That's a fine thought," I said, stopping pumping and moving over toward him, 'let's examine it a minute. If I get you right you are in sympathy with the idea of taking from the saver and giving to the spender, of taking from the thrifty and giving to the wasters, of taking from the workers and giving to the loafers, what the former in each case has saved up during the years of his life, or inherited; do you mean that?'

"In a sense I mean just that," he replied, his eyes snapping at me.

How money is saved

"NOW," said I, shaking a finger in his face, 'I'm going to tell you a story. I came to this village 35 years ago with a wife and \$25 in my pocket. I had learned the blacksmith trade as it is learned in a country smithy. I bought on credit a little shanty here at the village for a shop and built a forge. We rented another little shanty close to the shop to live in. Trade was not brisk. It looked as if no farmer in this neighborhood wanted his horses shod. The \$25 was fading away. So one day I went to the hotel keeper who was the one man I knew best and said to him, 'Harry, I'll go broke at this blacksmithing business if I don't get work pretty soon.'

"Jim," he said to me, "can you catch minnows?"

"How do you mean, catch minnows?" I asked.

"Why," he replied, "you have a minnow seine and you catch minnows for bait in the early morning and sell them to fishermen for a dollar a hundred. You see, the old guide here who has a monopoly on the minnow catching is a very religious man. He won't catch minnows on Sunday and he won't sell to any one who fishes on Sunday. The people who come here to fish want particularly to fish on Sunday and they pester me to death about it. Now you could pick up several dollars a week if you would learn how to catch minnows."

"That was a new one to me. I was brought up in the country where there were no lakes.

"It needs a seine," I said to Harry, "and I have no seine and no money to buy one."

"I'll buy the seine," Harry replied, slapping me on the back, "and you can pay for it when you earn the money."

"The upshot of all this was that the seine arrived. I learned how to

catch minnows. I stored them in a minnow box and peddled them out to the fishermen who came by. This minnow catching required that I have a punt in addition to the seine, a pair of long rubber boots and an oil-skin coat. I had to get up at three o'clock in the morning and row out to the weed beds and have my seine set when the minnows came at sunup for breakfast. Sometimes I made a good haul, but very often I drew a blank. The water dripped from the seine down my stomach into my rubber boots and always I was wet from head to heels. When I got home I had breakfast at six o'clock and was at work in the blacksmith shop at seven and do you know that minnow catching, so that wicked men might fish on Sundays, brought me luck? Trade picked up. I was busy every hour of the day. Soon I paid for the seine and then I went to my wife with the minnow money.

"Emily," I said to her, "this minnow money is just play money. I set out to earn my living and yours as a blacksmith, not by catching minnows. You take this money and put it in the savings department at the post office."

"That was the way it was for several years until one day she came to me saying,

"Jim, do you know how much money we have in the postal savings?"

"I had never thought of it, being busy saving money from my blacksmithing.

"Well sir," she said, with a proud look in her eyes, "we have \$1,600 in the post office."

"You don't mean it!" I cried.

"Yes sir," she said with a laugh. "Yes sir, sure as you're born!"

Lending to help others

"THEN we took that money and lent it out to the farmers who I knew needed it and got six per cent interest; that money rolled and rolled.

"The money I saved from the shop I put into houses. The village needed homes and I built them, some with my own hands at odd hours."

"I said to the minister, 'So you propose that my wealth which my wife and I have toiled for and saved for our boys all these 35 years shall be distributed to the poor and lowly! Who are these poor and lowly? Name 'em! Who are they?'

"I was beginning to get mad.

"I'll tell you who they are," I said, "and I will tell you where you can find a bunch of them this blessed minute. Five of them are sitting on the bench in front of Simpson's store. They were there all day yesterday and they and their kind have been



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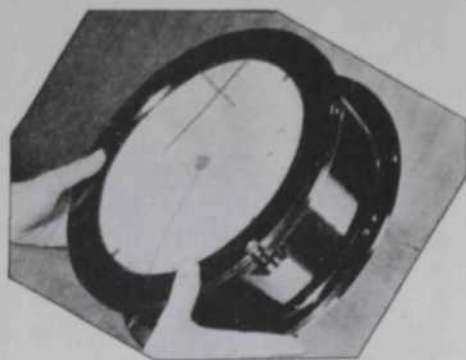
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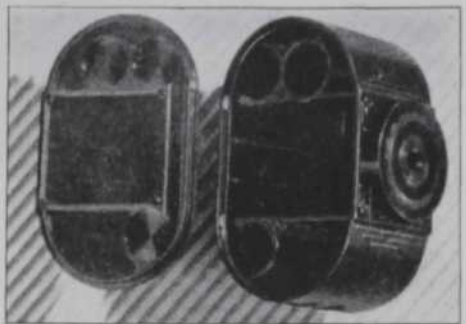
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GIANT—12-inch molded Durez case for industrial recording instrument. Case is light in weight yet amply strong. Permanent glossy finish will not chip or crack and is unaffected by chemical fumes, acids.



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sitting there all these same 35 years I have been telling you about."

"Oh, I didn't mean you, Jim," the Minister replied. "I meant only the wealthy, the very rich men."

"Yes, I know," I retorted, "but it won't take long in this wealth sharing business to get down to Jim Stevens and Emily, his wife, who are wicked capitalists."

"Then, I am sorry to say, I got real mad."

"You and your theorists," I hollered, "are just a bunch of sapheads! None of you ever got up at three o'clock of a cold raw morning and caught minnows! You never bent your backs into an oxbow shoeing horses! You never sweat at a forge! You don't know what real work is and what self-denial is required to save money! You are a bunch of kept men and that's all I got to say to you, and if I have hurt your feelings I'm sorry, but don't come around here

comparing such people with our Saviour!"

The blacksmith returned leisurely to the forge, poked up the fire and again pumped the bellows.

"The holy man went out without saying a word to me," he said dryly. "I saw him making his way up the street toward Simpson's store and I bet you he took a good hard look at the five poor and lowly citizens seated on the bench before the front window and wondered whether this redistribution of wealth idea was all it was cracked up to be."

I chuckled as I put-putted back to the Island with the four pieces of half-inch iron as I thought over the philosophy of Jim Stevens and I have continued to find delight in reenacting that scene between him and the Minister, for now I know the world is all right as long as there exist such old-fashioned common-sense souls as this backwoods blacksmith.

The Government Spreads Culture

(Continued from page 26)

the federal Government and frees them from what has always been the problem of the individual and only occasionally of the community.

♦ ♦ ♦

THE Works Progress Administration is a little less liberal to the theater than it is to music. For the stage, about \$6,800,000 has been set aside. Here the director is a woman, Hallie Flanagan, professor of English and director of the Experimental Theater at Vassar. Professor Flanagan is, in private life, Mrs. Paul H. Davis, wife of a professor of Greek at Vassar.

Mrs. Flanagan's theater project bulks bigger in the public mind just now than any of the other three. For one reason the theater is always spectacular.

"Why," the plain citizen asks, "should the Federal Government be running circuses and vaudeville?"

"Whose money," he asks, "is being used to entertain the public? I don't question that the hungry must be fed. I don't want a musician or a trapeze performer to starve to death, but I don't see why it is necessary to give concerts or circuses to prevent that calamity."

At one of Mrs. Franklin Roosevelt's recent press conferences at the White House, Mrs. Flanagan was asked about Ruby Bae, fan dancer. WPA has since stated that Miss Bae was never on a federal relief pay roll. Here from the Associated Press, always cautious in its reporting, is what Mrs. Flanagan said:

"We do have some burlesque, va-

riety and vaudeville performers on our hands in whom we are very interested. They have great skill. There's no one on earth more skilled than the trapeze performer."

To utilize such skill, she said, several circuses are now playing in New York, Chicago and Southern California.

Bread and the circuses—and literally circuses.

Out in Chicago, "One theater is to be devoted to plays important in American theatrical history, 'Texas Steer,' 'Old Homestead,' 'The Octoroon,' not done with the tongue in the cheek but reviving the historic values."

Dallas, Los Angeles, Boston, these are among the communities which will be brightened by the shower of theatrical culture from on high. Where there are not enough out of work actors in any one community, traveling companies will take their place.

In the case of theater projects, as in the case of music, the real purposes go beyond the task of giving jobs to unemployed theater workers. Here's another statement from the Works Progress Administration:

Although the immediate necessity of the project is to put back to work the theater people now on relief rolls, one of the more far-reaching purposes is to establish them in theatrical enterprises which, it is hoped, will achieve a degree of excellence, fulfill a need in their communities, and become self-supporting.

Miss Flanagan's theater projects "will be in the form of resident theater company units of which 90 per

"Unforeseen events . . . so often change and shape the course of man's affairs."

OUR VAST GOLD HOARD TO LIE BURIED INLAND

Treasure Worth Nine Billions. Built Up by Trade and Seizures, Will Be Guarded at Denver and Fort Knox

WASHINGTON, July 5.—With any other time in history, the Federal Government is taking steps to safeguard its vast gold reserve. The supply is valued at about \$10,000,000,000.

Already a great quantity of the gold has been moved inland and where the government's plans have been completely carried out there will remain in gold cities only a comparatively small amount needed in foreign exchange transactions.

In addition, work is under way

Treasury to Build a Gold Vault At an Army Post in Kentucky

Orders Rush Construction in Centre of Fort Knox in Line With Policy of Moving Mounting Bullion Stores From Coast

Cities Vulnerable to Enemy Attack.

WASHINGTON, June 28.—In preparation for another major transfer of the government's huge gold reserve, secret orders have been given, it was disclosed today, for the rush construction of a subterranean vault in the centre of an army post thirty-one miles from Louisville.

Into this vault will be transferred a good portion of the billions in gold now held by the government in New York and Philadelphia.

The structure, officials reluctantly closed, will be built in continuation of the policy of moving gold from both coasts.

DRILL TO BEDROCK FOR GOLD VAULTS

Treasury Surveyors Already Map Fort Scott Terrain for Reserve Depot.

1,300 SOLDIERS ON DUTY

Area Bristles With War Implements—Natural Barrier Is Kentucky Range.

LOUISVILLE, Ky., June 28.—Treasury surveyors have been drilling to bedrock in the middle of Fort Knox but to the west from both coasts.



Behind the natural barrier of the Kentucky mountains, sunk deeply in bedrock, the U. S. Bullion Depository at Fort Knox will owe part of its realization to the guarantee of a *construction bond*. In this important undertaking the Maryland is participating, helping insure soundness of materials and faithful workmanship...underwriting this vast project against any unforeseen hazard that might hinder its swift completion. Thus the Maryland is constantly helping build a Greater America...serving government, business and private individuals through more than sixty different bonding and casualty lines.

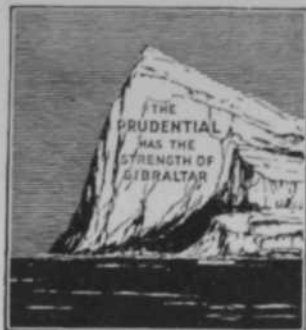
MARYLAND Casualty COMPANY

BALTIMORE, MARYLAND

SILLIMAN EVANS, President

These protective in... more it at Fort... extensions than ever before, are a... far cry from the 1790s, when the... Philadelphia mint got along with a... When nation's...

NEW NATIONAL MONUMENT
Arizona Police to be... Scientific Research
A new type of... in to be set aside for... of records is being... Federal Government... to be utilized...



What are you
doing about
Tomorrow?

Our policyholders are men and women who
look ahead. Leaving nothing to chance,
they want dollars ready when needed.

LET US SHOW YOU SOME OF
THE PLANS THEY FAVOR

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

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HOME OFFICE, NEWARK, N. J.

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cent of the personnel will come from relief lists." Still quoting from the authorized report we find this:

The plans for projects in New York City alone include an experimental theater, a living newspaper theater, a Negro theater, a marionette theater, a try-out theater, and vaudeville and circus units. It is felt that the development of a theater unit like the living newspaper theater, which will give performances of dramatized news both before and after the customary hour of theater performances in New York City—thus in no way competing with the commercial theaters on Broadway—will add a new and interesting experiment to the modern theater.

"New and interesting experiment" is probably true, but it seems strangely modeled on the moving pictures called "The March of Time," produced by *Time*, a publication privately owned and using the radio and the cinema to present itself to the public.

The theater project, like the music project, has its regional directors. In New York the director is Elmer Rice, one of the most socialistic of American playwrights. Here, as reported in the *New York Times*, are his immediate plans:

The first unit to get under way will be the Negro Theater in Harlem, under the direction of John Houseman. Its first show will be "St. Louis Woman," by Countee Cullen and Arva Bartemps, a play of Negro life in St. Louis in the 1890's. Also on the list of this unit are an untitled play by Zona Neale Hurston; "Walk Together Children," by Frank Wilson, the actor, and a revival of "Macbeth," Leonard DePaur and Cecil McPherson will direct a choir which will be heard in certain of these productions and at special concerts.

The Negro group will play at the Lafayette Theater in Harlem, which has been leased outright. Other houses for which arrangements have virtually been completed, according to Mr. Rice, are the Willis Theater in the Bronx, the Shubert-Teller in Brooklyn and the Manhattan Theater at Broadway and 53rd Street.

The Willis and the Shubert-Teller would be used for tryouts of potentially commercial plays submitted by Broadway managers acting through the League of New York Theaters. This is one of the major divisions of the project. The managers who have offered scripts for tryout are Lee Shubert, who has submitted "The Woman of Destiny," an antiwar play by Samuel J. Warshawsky; Theron Bamberger with "Distant Fields," by S. K. Lauren, and S. M. Chartock with "Top Dog," by Georgette Corneal and Burnet Hershey.

The third of the larger units is the Popular Price Theater, under the supervision of Edward Goodman. It is expected to open at the Manhattan Theater between January 15 and February 1 with "American Holiday," by Albert and Edwin Barker, a play about a murder trial in a small town. (The play is not based on the Lindbergh case.)

Other productions planned for this group are "Murder in the Cathedral," T. S. Eliot's dramatization of the martyrdom of Thomas à Becket; and "The Sun and I," by Barrie Stavis, a satirical modern view of the story of Joseph in Egypt.

The theater projects will center in

\$70,000 for Seventy Pieces of Wood

—because of the UNSEEN VALUE they possessed

IT WAS only the other day that newspapers carried the story of an old street musician who fiddled on a busy corner in a great city.

As they dropped small coins into his battered hat, few gave him more than a passing look. Until a great musician came along . . . heard in the uncertain fiddling something that stopped him in his tracks. The musician stepped closer, looked sharply at the violin, spoke excitedly and bundled the old fiddler into a taxi . . . made him rich beyond his wildest dreams.

For the violin was a Stradivarius. Worth \$70,000.

* * *

Seventy or so pieces of wood . . . carved, fitted, glued together, varnished and equipped with four strings. But as they came from the hands of Antonio Stradivari they had some magic of tone beauty . . . an *unseen value* which skilled hands, for two hundred years, have been trying without success to duplicate.

In every field, there are always products of human skill that possess this priceless quality of *unseen value* . . . born of the character and genius of the man or men whose work they are. And a modern motor car can have that kinship to a Stradivarius . . . an important fact to know when you are going to buy a car.

BEFORE BUYING A CAR —ASK YOURSELF THESE 5 QUESTIONS

1. *Has it proper weight distribution?*
2. *Has it genuine hydraulic brakes?*
3. *Is it economical to run?*
4. *Has it floating power?*
5. *Has it all-steel body?*

ONLY CHRYSLER-BUILT
CARS HAVE ALL FIVE

America has learned that when you buy a Chrysler-built car—Plymouth, Dodge, De Soto, Chrysler or Dodge Truck—you are sure of *unseen value* in extraordinary measure.

How Unseen Value is Seen

For in these cars America has seen what *unseen value* means . . . has seen engineering skill and genius time after time discover new ways to increase motoring pleasure, comfort, economy and safety.

Over and over again, in Chrysler-made cars, motorists have seen the finest available metals and materials supplanted by new ones, *still more durable and reliable*.

This is the character of Chrysler Corporation . . . of the men who work with Walter P. Chrysler and his associates. This is the driving force which shows in their work . . . never satisfied, forever searching for new ways to improve the motor cars they build.

You have witnessed the results. For, it is only a little more than ten years ago that Chrysler Corporation entered the already well-established automotive field.

Today the ten-year-old newcomer is one of the industry's leading manufacturers . . . providing livelihood for nearly half a million Americans . . . producing one out of every four cars sold . . . and the only American automobile manufacturer that in 1935 *exceeded* 1929 "prosperity peak" production.

Violin or motor car . . . you know that such success cannot be won except by surpassing value . . . by extraordinary *unseen value* as well as value visible and seen.

When you buy a Chrysler-built car . . . a Plymouth, Dodge, De Soto, Chrysler or Dodge Truck . . . regardless of price or size . . . you know you are getting such great degree of *unseen value* as will pay you extra dividends of enjoyment and satisfaction.

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CHRYSLER**

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YOU GET THE GOOD THINGS FIRST FROM CHRYSLER CORPORATION

YOU call in a C.P.A. Jones depends on his* C.F.A.



There's no worry for you when employees have Careful Family Accountants

The man who works for you is a "business enterprise" on a small scale. Well managed and closely controlled, his receipts match expenditures, his family is well cared for, and he comes to work every day with a smile on his face. "How many of my men," you ask, "are such model money managers... where do they learn how?"

Let's trace Jones's education in careful family money management. There's been sickness in the family, let's say. Bills have piled up, there's a surgeon's fee to pay. Jones usually isn't able to pull \$200 out of his pocket at any moment. He's too proud to come to you or go to relatives. He wants to stand on his own feet.

A friend tells him about Household—its long, reputable service, its national scope, its integrity. The Joneses make a loan to meet the emergency, repaying it a little each month in amounts that usually do not exceed 10 per cent of the monthly income. The signatures of Jones and his wife are the only ones required.

Then, Household's free money management service is adopted. The Joneses learn how to control income and outgo—a simple system that rewards thrift, allows for even unexpected expenses. And Mrs. Jones becomes the treasurer in direct charge of the family accounting. As the family purchasing agent, she is guided by Household's "Better Buymanship" bulletins, and saves substantial sums by skilful buying.

If you have ever wondered how your employees meet financial crises and still maintain balanced family financial budgets, we'd like to send details of the Household plan. Just mail the coupon. No obligation.

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New York, Chicago and Los Angeles, where the most theatrical folk are out of work. However, the theater group is penetrating the smaller communities, offering them direction (at government expense) if they care to set up a local playhouse. Traveling companies are playing in the CCC camps and Miss Flanagan hopes to send road companies into towns off the beaten path of commercial touring companies and to charge admission enough to pay transportation costs and actual subsistence costs (not to exceed \$3 a day). It is hoped that 14,000 theatrical workers will be on the job by the time this magazine is issued.

♦ ♦ ♦

ART is to spend \$2,950,000 in the six months which began September 1. Here the chief is Holger Cahill. He, too, is eager not merely to give work to unemployed painters, draughtsmen, art teachers and others, but to spread the gospel of art throughout the United States. Here are purposes as set forth in the Federal Art Project Manual:

To obtain for the public outstanding examples of contemporary American art;

To create a broader national art consciousness and work out constructive ways of using leisure time;

To aid various campaigns of social value;

To clarify the native background in the arts;

To work toward an integration of the arts with the daily life of the community, and an integration of the fine arts and the practical arts.

Mr. Cahill is not only a student of art, but an organizer. He has regional and state art directors, District Art Supervisors and National and Local Advisory Committees. He divides those whom he takes off relief into four classes:

Professional and Technical—those who can produce creative work of a high standard.

Skilled—those who can produce work "of recognized merit."

Intermediate—less skilled including apprentices.

Unskilled—attendants, handy men, etc.

Having divided the workers, Mr. Cahill proceeds next to divide the work into ten groups—murals, easel painting, sculpture, posters, arts and crafts, photography, lectures, circulating exhibitions, teaching and miscellaneous.

Only a small part of the 4,000 to be continued on relief via the art project will produce paintings and none of the work is to be put up for public sale. It is all to go to institutions.

A great deal of the product of the Art Project consists of posters which are used for various campaigns, such as safety and health campaigns, crime pre-

vention, etc. At least two-thirds of the product of the Art Project is allocated to state and municipal institutions, such as universities, schools, public hospitals, and places where these works of art will be of the greatest value to the mass of people. One of the ideals of the Art Project is to get pictures into every public hospital room in America and to brighten the walls of orphan asylums, industrial homes for children, etc.

But always these projects run to the "more abundant life," that pet phrase of all true New Dealers. We find the art projects described again and again as designed "to spread art education among the underprivileged groups," "to create a broader national art consciousness," "to work out constructive ways of using leisure time," "to clarify the national background of America in the art," "to work toward the integration of the arts with the daily life of the community."

♦ ♦ ♦

FOURTH of these divisions of the Professional and Service Division is the Writers' Group, which has, or had in mid-December, about three and a quarter millions to spend in eight months. Only 2,700 persons were then employed although the Works Progress Administration was sure the number would be increased. Its director is Henry G. Alsberg.

Unlike the art division, the writers' project is not encouraging creative individual work. The out-of-work writer who feels that he has in his mind the great American novel is not told to go ahead and produce his masterpiece at government expense. The chief present task of the Writers' Group—and it employs about 2,400 of its workers—is the production of the American Guide.

This work is to be a kind of American Baedeker. No one yet seems sure how vast this publication will be. There are to be local guides for the chief American cities, a state guide for each state and, to crown the work, a five volume Federal Guide. It will be printed by the Government Printing Office and, it is hoped, will be on sale throughout the United States. Some day the automobile tourist who sets out from Portland, Me., to Portland, Ore., or from Philadelphia to New Orleans may fill his car with information about the cities and states through which he passes.

It's an encyclopedic project. It will fill shelves in thousands of public libraries. No one can even guess—perhaps no one even cares—what its market with the public will be. Will the casual tourist who halts at a gas station and asks for a road map to Columbus be ready to invest in a description of the points of historical interest in Columbus? But why worry about that; the research and the

FIRST *in* the Safeguarding of Power



Engineering insurance covers damage to property or persons, and stoppage of production, business, or rents due to explosions of boilers and pressure vessels, and accidents to power and electrical machinery. . . . This seal, earmark of the oldest company of its kind in the United States and the largest anywhere, appears on policies for about half of all such insurance purchased here.

The prudent executive, burdened with many responsibilities, transfers his power-plant hazards to shoulders designed to carry them. Year after year, about half the nation's insured power equipment is guarded, safeguarded, by The Hartford Steam Boiler Inspection and Insurance Company. Year after year, this company carries the risk.

There is no mystery in the preference of so great a part of American industry for this one company. Hartford Steam Boiler is a single-line organization. It handles no other kind of insurance. It concentrates energies

on maintaining for this one job a service organization unequaled in size, experience, geographic distribution . . . in anticipating new power-plant safety problems and their effective solution.

Hundreds of Hartford Steam Boiler field inspectors are daily visiting Hartford-insured plants. They climb into boilers, scrutinize engines, track down turbine defects. They apply to each inspection not only their own practical knowledge—fruit of 10, 20, 30 years' experience—but the counsel of Hartford's large engineering staff.

Through this body of specialists, unique in the engineering world, Hartford continually brings to business new ways, new ideas for old.

Today, as for 69 years, Hartford Steam Boiler is the leader in its field. It is the oldest purely engineering company in the country, and the largest anywhere. It is respected by American business for its enterprise, its integrity, its historical perspective. Hartford Steam Boiler holds its dominant position because its services are regarded by those who use them as worth many times the cost.

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Pro-technic Ediphones provide each of this company's dictators with a means of dictating at any time. Whenever letters have to be answered . . . whenever memoranda or information resulting from conferences, interviews, or telephone calls have to be recorded . . . each man simply turns to his "electrical 24-hour secretary" . . . and voice-writes. He thinks once, writes once, at once—and then knows that it's done. All work moves!

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writing are paid for from government funds and the printing is done at a government plant.

The writers' project has one other job. Its staff compiles "Reports on Progress" describing the development of WPA jobs in all the states. That's a wheel within a wheel.

These writers are paid at various rates. In small towns, in such states as Georgia and Mississippi, a writer may get as little as \$27 a month. In New York City he may get a maximum of \$103 a month. His grading as "professional," "skilled," or "intermediate" is determined by a state director or "by delegated supervisors," based on publications, education and personal interviews.

♦ ♦ ♦

HERE in outline are the chief ways of spending \$30,000,000 for the relief of artists, actors, musicians and writers. Thirty millions is not a very large sum in government spending. Certainly men must not starve, so why not let actors act and painters paint and musicians play?

If they, at the same time, spread culture, is that not an advantage? But at once the question arises: What sort of culture, and who is to choose? What of the possibilities of propaganda? What of making the Federal Government an arbiter between conflicting schools? Shall these hundreds of orchestras that are playing throughout the land devote themselves to Brahms and Beethoven or to Stravinsky and Strauss? Is jazz good for the public or must it learn to like a higher type?

These are not idle questions. When a central government begins to impress "culture" upon its people it begins a sort of censorship of which the founders of the government never dreamed.

The same questions come as to art. All over the country in small towns and large, American art is shown under federal auspices in halls arranged for by local enterprise. But again the question arises, shall the Government at Washington undertake to teach the citizens of Duluth to appreciate, approve, and perhaps buy, American paintings?

If art and music are uncertain means of propaganda, the drama is a certain one. Space has been given to Elmer Rice's activities in New York because of his background. His "We, the People," produced in New York in 1933 stirred wide discussion as a bit of radical, even revolutionary, propaganda. Here are some of the organizations in which he has been active—the American Civil Liberties Union, the National Committee for Defense of Political Prisoners, American Com-

mittee against Fascist Oppression in Germany.

Whatever his right as a private citizen to engage in such activities, what sort of plays is he to present at government expense at nominal prices to the American public?

♦ ♦ ♦

LET'S go back to the three men and one woman who are controlling this task of educating and enlightening the American public.

Nikolai Sokoloff, born near Kieff, Russia, came to this country as a boy, studied music, was a solo violinist and has conducted orchestras in many American cities. He has no record of political activity.

Holger Cahill, known as an enthusiast on American art, has organized exhibitions of contemporary American art throughout the country.

Hallie Flanagan is an ardent promoter of workers' theaters and the whole new theater movement; she is author of "Can You Hear Their Voices?" a play widely discussed but not widely produced.

The *New Masses* (June, 1931, page 20) called it "the best play of revolutionary interest produced in this country." The play is a satire on farm relief, it ridicules the Red Cross and reaches its climax with a riot scene in which the farmers assemble to seize food by force. From this point, the *New Masses* describes the plot as follows:

The governor orders out the militia. Expecting this, Wardell and his wife send their two boys hitch-hiking to Communist headquarters in New York. "Tell them that Jim Wardell sent you. They'll take care of you. Tell them that things have gone too far and that we're organizing, that we may be sent to jail and that the comrades need help."

Henry G. Alsberg, head of the Writers, is Columbia-Harvard-lawyer trained. Was an editorial writer on the *Evening Post* of New York and spent much time in Europe as a correspondent of various publications in Europe. One of his connections was the *Nation*, radical weekly. Did relief work in Russia. He prepared for the American stage the "Dybbuk" and for a while directed the Provincetown Theater in New York.

A strange task, this, for the federal Government, of spreading culture, of bringing the American people under the influence of art and music and letters. But isn't it a dangerous task? Government activities grow rather than shrink. Unlike the Old Guard, they seldom die and never surrender. Substitute for "bread and the circuses" relief payments and public theaters, concerts and art shows and we may well look at the future with perplexity and dismay.

Have you a "Mary Grey" in your office?..



"Mary Grey," as played by Miss Lucille Wall in the Smith-Corona radio program, "Nine to Five"—Thursdays, 7:15 p. m., E. S. T., Blue NBC Network.

She handles your mail . . . types your letters . . .

arranges your desk . . . takes your phone calls

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files . . . pays your personal bills . . . and

perhaps does errands for you in her lunch hour.

During each day, she strikes typewriter keys from ten to twenty-five thousand times (say six million strokes per year); and each day she shifts keys, for capitals or punctuation, a thousand or so times. Along about four o'clock, unless key action and shifting are very easy, her finger muscles tighten, and that five o'clock ache between the shoulder blades is a direct result—day after day after day. Try it yourself, and see how your nerves and finger muscles stand up!

What to do about it? Just this. After thirty years of making ball-bearing typewriters we know something about easy type-bar action and effortless shifting. And if you haven't provided a Silent L C SMITH to make work easier and faster for your Mary Grey—well, sir, our nearest office will show you how to give Mary a Happy New Year from now on!

The Silent L C Smith

The one typewriter that operates exactly like standard typewriters—same action, same touch, same speed—yet is *silent*.

Ball-bearing type-bars, effortless Smith Floating Shift, interchangeable platens, choice of carriage return, half-spacing, and all the other L C Smith features. Booklet on request. Ask for demonstration.

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Is it your turn to be generous?

Parents are proud. If they must be dependent upon you today, probably it is because they were generous to a fault when you were younger. Make it easier for them with a retirement income for life, arranged the John Hancock way. Even a few dollars a month they can call their very own can make a substantial difference in their outlook on life. Let us send you our booklet which tells the retirement story.



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N.B. 2-35



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Making guests feel "at home" occupies every waking hour of this manager of a chain of eleven hotels. Each of a multitude of details must be right. One important detail has been solved once for all. *Onliwon Toilet Tissue in Onliwon Cabinets is installed in every washroom and guest bath in every hotel. The quality and texture of Onliwon Toilet Tissue is known and liked from coast to coast. Guests appreciate that the user is the only one to touch the tissue. Tidy, efficient Onliwon Cabinets replace outmoded fixtures, prevent the litter caused by hit-or-miss dispensing—and of equal importance, show definite economy by reducing theft, waste, and spoilage.

Telephone local A. P. W. office or write A. P. W. Paper Co., Albany, N. Y.

*A service for washrooms that dispenses toilet tissue from cabinets and assures that the user is the only one to touch the tissue.



There's Real Saving in Onliwon Towels and Tissue

Business Highlights and Sidelights...

Sending New Year's cards to oneself

IRA MOSHER, vice president and general manager of the American Optical Company of Southbridge, Mass., is in the ordinary walks of life a genial, courteous American business man who gives and takes the amenities of life smilingly.

But when his company gets four greeting cards in four envelopes from one agency of the federal Government on one day he rises to ask some questions:

When did the Government begin to send out New Year's greetings?

If this is a part of the Government's functions, why send four to one company?

The cards read as follows:

At the close of the Year, the Staff of the Bureau of Labor Statistics wishes to thank you for your friendly cooperation and to express the hope that the coming year may be a prosperous one for all members of your organization.

ISADOR LUBIN

Commissioner of Labor Statistics
United States Department of Labor

Grateful that the United States Government should wish him well but puzzled as to why its good wishes should be multiplied by four, Mr. Mosher wrote to Comptroller General McCarl as follows:

We are enclosing herewith four envelopes, all addressed to the American Optical Company, each one of which enclosed a card from Mr. Isador Lubin, Commissioner of Labor Statistics, thanking us for cooperation and wishing us a Prosperous New Year. We appreciate very much his feeling as we have always done our best to give the Government whatever it wished.

Presuming that this matter is at the Government's expense, we cannot refrain from taking this opportunity to ask since when did the Government send out New Year's greetings, and again why four greeting cards to us.

We ask that if this matter is not one for the attention of your department, will you advise us with whom to take it up. After all, perhaps this is a small matter, but it is indicative of what has for some time been intensely disturbing, that is, the expenditure of taxpayers' money for matters wholly extraneous to what we have always believed were proper government functions.

To date he has received no answer. Perhaps there is none.

Errata rules the waves?

LET any man speak long enough, said Robert Louis Stevenson, he will get believers. An age which gets much of its current history through the

ear can vouch for the aptness of the judgment. That our microphonic Homers occasionally nod is, unfortunately, as credible as the commentaries they regularly commit to the air waves. Possibly it is only charitable to regard a popular radio newsman's confusion of two associations of railroad executives as a pardonable case of mistaken identity. Omission of the word "labor" made it appear that rail managements were seeking government ownership. As everybody should know—but will not know with such misinformation in lively circulation—it is the labor group that wants more paternalism. To a quick ear, half a word, says the proverb. But the quickest ear can catch no word where no word is. Omission, it turns out, can be the chief weapon of distortion.

Industry its own conservator

ONE of the most durable contenders for place among the nation's fears is the boggy of an oil shortage. Whenever there is dearth of adequate alarms, exhaustion of the petroleum supply can always be made plausibly imminent. Happily for the people, the deprivation envisaged in the crystals of pessimism turns out to be more rhetorical than real.

On the word of a committee reporting to the American Petroleum Institute, the known reserves in 1925 were estimated at 5,321,000,000 barrels, with indications that additional reserves would be found. In the ten years since that calculation, says the statement, 8,692,000,000 barrels of oil have been produced and consumed—50 per cent more than the entire proved reserves in 1925, yet more than 12,000,000,000 barrels are known to be still below ground.

As for the needs of the future, the crude oil demand in 1960 is estimated at 1,071,020,000 barrels. In that year, the oil men figure, the population will be 146,000,000, and 37,100,000 cars and trucks will be in use. Current consumption is running about 719,000,000 barrels a year.

Human nature being what it is, the Institute members are likely to find the confusion of their critics an appetizing pleasure. A deeper satisfaction—and one which provides its own accent of service in the public interest—flows from the industry's research and experimental work, now costing more than \$10,000,000 a year. This commitment has yielded great savings of crude oil. The process of "cracking" alone has saved the

WHAT DOES DISTRIBUTION MEAN..



THIS? . . .



OR THIS?

DISTRIBUTION, in its fullest sense, can mean only one thing—putting your product into the hands of the consumer. A product in the store has only changed its point of warehousing. But a product in the *home* is a complete sale.

If your problem is one of making these complete sales, our many years of experience in merchandising package goods may help you find the answer.

A letter to us will not obligate you. Merchandising help is part of our service to manufacturers.

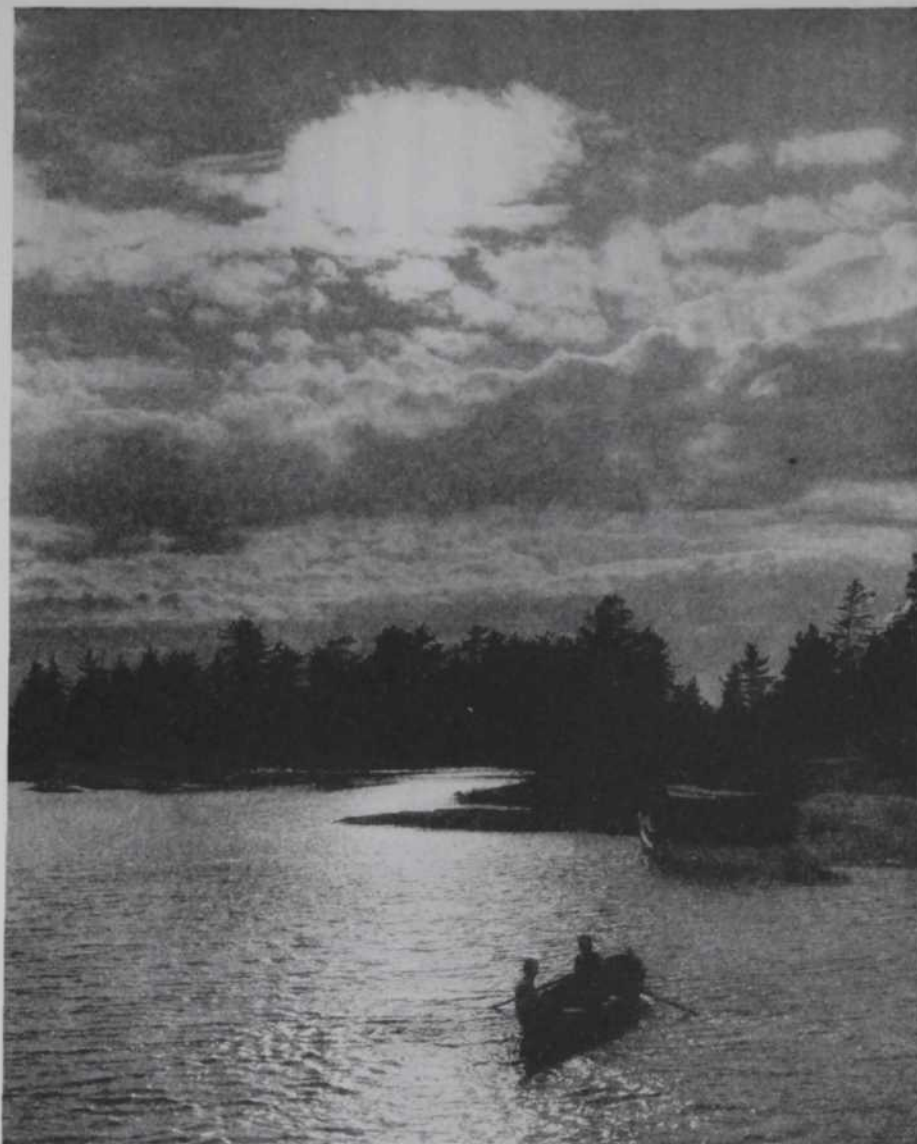
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COMPANY**

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the lads"

Sponsored by AMERICAN CAN COMPANY



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Right in your own grasp is your own Treasure Island . . . your home, your family and your business. Protect it! • Standard of Detroit—52 years old and nationwide in scope—stands in the forefront of those whose help makes possible that protection. • Over a million persons depend upon Standard to protect them against the ever-threatening hazards to their homes, their persons and their bank accounts. • To these million persons, Standard offers a complete service . . . in devising adequate protection, in promptly and equitably adjusting claims. • Standard service is supplied by 6500 representatives. Let one of them suggest to you a program of thorough protection . . . in Standard of Detroit.

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STANDARD
ACCIDENT INSURANCE COMPANY
DETROIT

country about 6,600,000,000 barrels of crude oil, about 75 per cent of all the crude oil produced in the past decade.

If it is too much to expect that the contributions of private conservation will silence the public alarmists, it is none-the-less demonstrably true that industrial science, technology and invention are usefully extending and diversifying the bounty of nature.

Note on paternalism:

The government takes care of their property, superintends their education and religion, provides food and clothing, protects the weak from the aggressions of the strong, and abolishes, as far as it may, the injustices of destiny. All have equal rights; none have special privileges. They toil not, neither do they spin. The problems of existence are solved for them. The rate of wages, the hours of labor, the unearned increment, the rapacity of the monopolist, the wrongs of the toiler, the howl of the demagogue do not disturb them. They have ample leisure for intellectual cultivation and development, for communion with nature and for contemplation of art, for the joys of home, but they remain—Osage Indians.

—Senator John J. Ingalls, about 1890

Theory bumps into practice

SAYS *The Consumer*, published by Dr. Walton Hamilton's Consumers' Division, National Recovery Administration:

Grading standards as an avenue to lower sales costs are more and more recommending themselves to both consumer and retailer. It is pointed out that if the consumer were accustomed to buying by grade, the manufacturer of a Grade A product would find him seeking his ware without the tremendous expenditures ordinarily made to apprise the consumer of such quality. . . . If such costs could be reduced, the saving might well return to the consumer in the form of lower prices or better merchandise, and to manufacturer and retailer in lower sales costs.

The question has resolved itself into the simple query, "Shall the consumer be taught grades once for a lifetime, or be taught brands over and over with the rise or decline of individual firms re-iteratively year after year?" The former course would seem logically the most efficient.

So it would seem to that branch of the Government, but it certainly does not seem so to another branch, the Treasury Department, just across the street.

The Treasury is currently cast in the rôle of "manufacturer of a Grade A product," the so-called baby bonds. Does it offer them, as Dr. Hamilton would have products offered, simply as "Bonds-Grade A"? Far from it. Instead it calls them United States

Savings Bonds and fosters desire for them by painting their virtues as means of educating the children, creating an estate and so on. Neither does the Department wait idly for consumers to enter the market, money in hand, seeking "Bonds-Grade A," and take its chances with other offerers of "Bonds-Grade A." Rather it launches a widespread publicity and advertising campaign extolling the safety and yield of its own particular offering. Its paid advertising in the six weekly publications being used in the campaign totalled \$87,000 up to December 31, and probably boosted sales sufficiently to be worth it.

Clarifying the business operation

W. J. CAMERON of the Ford Motor Company recently released figures showing the cost of a job in the Ford Motor Company. The figures are comparable to the method of "Why Not Humanize Your Figures?" in August NATION'S BUSINESS and "We Have Humanized Our Figures" in September.

Mr. Cameron finds the investment required for each job in his company:

Real estate and buildings	\$2,008.55
Machinery	2,670.59
Inventory	664.78
Working capital, etc.	3,663.45
	<hr/> \$9,007.37

He found sales per employee were \$6,979.49. This was divided:

Wages	\$1,468.85
Materials	5,185.56
Taxes and depreciation	214.08
For the Company	111.00
	<hr/> \$6,979.49

And the Life Insurance Sales Research Bureau of Hartford, Conn., in a recent report on "Humanizing the Annual Statement," reproduced the balance sheet used in NATION'S BUSINESS for August with the comment that "it may suggest certain adaptations which could be made by life insurance companies."

A steward accounts

STATEMENTS of condition, as every banker knows, do not take the reader behind the scenes and show him the ruling state of the directing minds. How a report to stockholders can define an institution's concept of public usefulness is revealed in the text of J. Stewart Baker, chairman of the board, Bank of the Manhattan Company, New York, chartered 1799. Said Mr. Baker:

We have heard a great deal of criticism that banks in New York City and elsewhere are "superliquid" and this is cited as proof that they are unwilling

"WE MUST GET FIGURES FAST"

Daily control of affiliated companies by BancOhio Corporation, Columbus, speeded by Monroe *"Velvet Touch"*



DESK-SIZE AND PORTABILITY GREATLY INCREASE THE FLEXIBILITY OF MONROE ADDING-CALCULATORS AND LISTING MACHINES

THE BancOhio Corporation tells us that the examination and control of a system comprising twenty-five banking offices and several corporations of other types have been greatly facilitated by using figuring machines that are:

- Portable*
- Speedy in operation*
- Rugged and dependable*
- Serviced locally by Monroe*

They have found through years of experience that Monroes, both Adding-Calculators and

Listing Machines, fully meet each of these requirements.

The "Velvet Touch" action of the keyboard is one of the many Monroe features that has made for faster work. BancOhio Corporation finds that even inexperienced operators can turn out a large volume of correct figure work, without strain or fatigue.

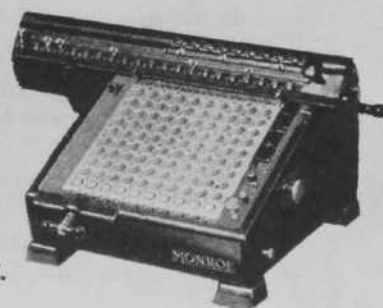
Why not try a "Velvet Touch" Monroe at work on your own figures? There is no obligation. Call the nearest Monroe-owned branch or write to the factory.

This Electric Monroe (Model LA-6), takes less desk space than a letterhead. Portable, weighs less than 17 pounds. Divides and multiplies automatically.

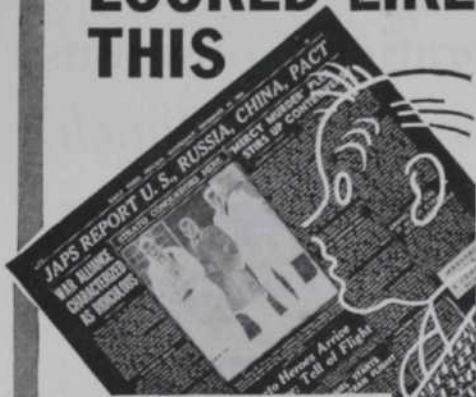
Simple · Speedy · Rugged

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CALCULATING MACHINE COMPANY, INC.
ORANGE, NEW JERSEY



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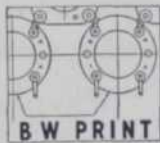
would you read it?

Your eyes would soon get tired of a newspaper printed in reverse. Soon you'd find yourself skipping lines and paragraphs . . . losing the sense.

Blue prints, too, make extra demands on the eyes—create extra chances for misunderstanding and mistakes. And so, in thousands of plants today, BLACK AND WHITE Prints are replacing blue prints. These black-line "right reading" prints fit in with modern production methods.

Expose paper in your blue-printing machine—then develop it in a BW Developing Machine (priced at \$57.50). That's all there is to the BW Process! You save time because BW Prints are produced faster than blue prints . . . require no washing or drying. You save money because, with BW, you can use sheets cut to the size of your tracings, thus eliminating waste. In shop use, BW Prints are not affected by cutter coolants—no need to varnish the print.

Investigate BW for your plant. The facts are yours for the asking!



BW PRINT
BW Prints—easier to make than blue prints—far easier to read and check

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—Leading the field today in sensitized papers, reproduction processes, drawing material and drafting room equipment.

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Company

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to lend money. The primary function of a bank is to lend and far from being unwilling to do so they are eagerly seeking and actively competing for loans. Banks, like merchants and manufacturers, desire to do business. But, if they are properly managed they will not invest their assets in a way which experience has shown is unwise and even dangerous. . . .

Without going into the merits of the guarantee of bank deposits, I think you will agree that it is not and never will be a substitute for sound and conservative management. We shall continue to conduct the affairs of your institution without relying in any way on the fact that its deposits are insured by the Federal Deposit Insurance Corporation to the extent required by law. . . .

By themselves banks cannot create prosperity. Banks should prosper as business prospers. To a great extent they are service corporations through which money is made available to those who wish to use it. They do not originate business transactions—they finance them after they have been arranged. Banks are encouraging business by

standing ready to lend freely at low rates.

A job for all hands

HIGH as ever the peak of unemployment may rise, jobs are going a-begging. Witness the annual report of Karl T. Compton, president of the Massachusetts Institute of Technology, "... it has seemed unbelievable, but it is true, that we simply do not know where to turn to find men whom we can unhesitatingly recommend for positions which are brought to our attention daily." As for opportunity,

The world, and particularly our own country, is rapidly entering an era in which scientific management and technical skill will be increasingly important. I can, therefore, see no other answer to the question of the future than that the value of the practical application of science in connection with arts, agriculture, manufactures and commerce will become an increasingly important condition of human welfare.

A Second Declaration of Independence

(Continued from page 17)

er autocrat, George III. For two centuries this branch of the Anglo-Saxon world was thus engaged in a life and death struggle to free itself from autocracy. Yet, today, a considerable element in America looks with envious eyes upon one or another of the new dictatorships of Europe. This element sees in Russia, or in Italy, or in Germany the dawn of a new day and preaches to us one or another of these various gospels of "progress." And the influence of these gospels is not confined to preaching; it is also being introduced in practice. For, in a less conspicuous way, one can detect a very similar movement in the direction of a greater concentration of power in the executive, within the frame of our present Government. Has the freedom our ancestors gained with such difficulty lost some of its value? Has it become cheap because it was inherited by this generation without cost? Or is it because of our hospitality to foreign ways of life that the advocacy of change has become so articulate and insistent?

"Democracy is a failure," it is being said. What is the evidence? Is it Russia, a country just emerging from the Middle Ages, where democracy has never been tried? Is it Germany, a country which did its emerging less than a century ago, and where democracy had but one brief and recent trial under the most unfavorable conditions? Is it Italy, a country which only began with infant toddlings in the direction of democracy when it was first born as a nation some 75 years ago? Is it France whose Republic was finally resurrected for the

third time only some 60 years ago? By what right are these cases treated as tests of democracy? If one wants to learn the success or failure of government by the people one must turn to the experience of countries where it has had a long and thorough trial—such countries as Switzerland, Holland, Sweden, Denmark, and, above all, England. These countries are turning further away from, not toward, dictatorship.

Where there is foreign matter in the eye of the beholder, it is natural that the failures of self-government should attain undue proportion in a view from our shores. The fact that government by the people has its successful exemplars in Europe is consistently ignored by the evangelists of change who are bound to distort the verities by the very defects of their vision.

If democracy is in temporary difficulties in this country may one not justly suspect that it is so largely because so many of our people have had neither the tradition nor the experience of self-government? To plunge them into this régime unprepared was like sending a boy direct from the nursery to college, or like giving a Russian peasant an American machine tool to operate. Is it any wonder that, after this prolonged man-handling, the apparatus of self-government here is now in need of replacement of a number of parts? Or is it any wonder that some of our people should now be looking back with fond regrets to the autocratic régime under which they formerly lived, where everything was arranged for them, and that in the process they

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should convert it, as men do, into that age-old dream of a benevolent and paternal despotism which never was on land or sea.

Take this new idea of "the state" about which we hear so much in popular discussion. It appears to be of German origin and it only began to gain currency after the formation of the German Empire in 1870. In America we have been accustomed to picture government, in realistic terms, as consisting of a large number of officials, "politicians," for most of whom, as men, we have had but little respect. To these men we have found it convenient to delegate certain limited powers and we have expected certain results, in which expectations we are frequently disappointed.

Politicians without politics

BUT this German idea of "the state" is something quite different. It is a mysterious, intangible and separate entity; it is supposed to run itself without human agency—therefore, it cannot consist of these familiar and very human officials; it is supposed to exist independently of its citizens—therefore, "the state" seems to be able to prosper exceedingly while the individual citizens suffer acutely; it is supposed to operate so much more justly and efficiently than mere voluntary or private organizations that we are urged to deliver ourselves into its hands, surrender to it our ancient rights and liberties and be content to accept our share of the so-called "social good" in lieu of the hard-won fruits of our own strenuous individual efforts.

It is evident that this obsession has become the pervasive social philosophy, almost the religion, of most of eastern and southern Europe, and that it has made its mark upon France. From Europe, the contagion has been spreading here. As yet we can find no evidence, either from new or old experience, that to deliver the entire management of human affairs over to a body of public officials—as we know them—is going to improve the lot of the average citizen as compared with the system of ultra-decentralized management under which we have been living. This imaginary "state" seems to be merely the oldest of old wolves parading in twentieth century Europe in a disguise of beautiful new phrases. It looks like an apotheosis of officialdom in which we Americans can have no faith. Nevertheless, this concept of "the state" has had its effect in America as well. It has caught on and it has been the excuse for much of our expansion in the functions of government.

However, the effect of new and

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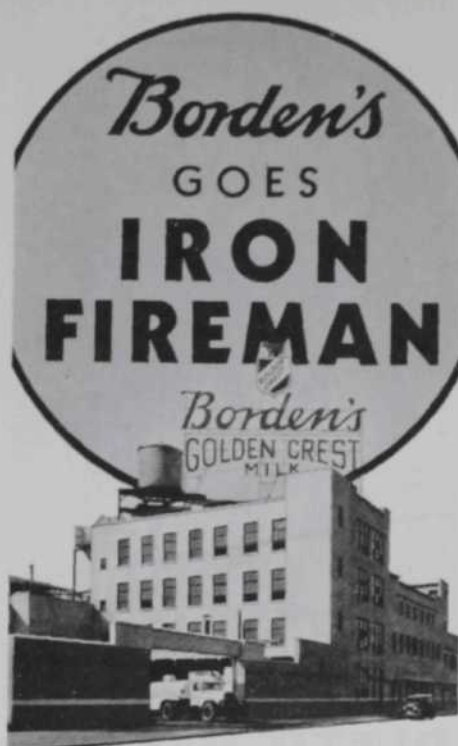
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THE selection of Iron Fireman automatic coal firing by Borden's is a fact which carries its own significance.

Two of Borden's Iron Fireman installations are in pasteurizing plants where the production of steady steam is of prime importance. The third installation is in a large office building where steady heat at low cost is of vital consideration. At each of these locations Iron Fireman fulfills all Borden demands for heat and power and renders an automatic firing service that is unexcelled.

Iron Fireman feeds coal to the fire automatically under forced draft. Smaller, cheaper sizes of coal are used. Fuel costs are cut. Heat or power is steady. Firing room labor is held at a minimum. Smoke nuisance is eliminated.

If you pay fuel bills for a heating or power plant up to 300 h.p. ask for a free Iron Fireman survey and report. Compare Iron Fireman with the firing method you are now using. Iron Fireman is quickly installed and may be purchased on a monthly plan or on an F.H.A. loan. Write to 3249 W. 106th Street, Cleveland, Ohio, for literature and free firing survey. Iron Fireman Mfg. Company, Portland, Oregon; Cleveland, Ohio; Toronto, Canada. Dealers everywhere.



Iron Fireman installations at
Borden's Long Island City
plant.



Borden's pasteurizing plant at Brooklyn
(above) and main office of Borden Farm
Products, Inc., New York City (right).
Both buildings Iron Fireman equipped.

IRON FIREMAN



AUTOMATIC
COAL BURNER

foreign theories has shown itself most conspicuously in the so-called social legislation of the last generation which has culminated in the Social Security Act. The formula to which it traces is the latest fad in European incantations, "collectivism." This formula, when one inspects it closely, turns out to have concealed in it the oldest implement for oppression—despotism under a new name. For this "collectivism" requires that society should be compressed into a single organization. Now any organization requires control by leaders. A single organization involves, therefore, entrusting the power to a single group of leaders, with no rivals, no alternatives, no division. This concentration of all power in government—the one agency which retains the right to use force—is a return to the primitive.

Less work and more waste

IN OTHER respects evaluations of this formula are more speculative. But, judging by experience, we are led to have grave doubts that it will bring about the millennium. For, when no one needs to be self-supporting, is it likely that, in the long run, any one will be? Experience also suggests that, out of this smaller stream of wealth, newly created, a constantly greater share would stick to the fingers of those who have the power, the political administrators. Finally we may be sure that, since there would be no test of success or failure, a constantly greater proportion of savings would be wasted in futile ventures and useless capital expenditures.

These few citations of some of the foreign influences upon our national career to date paint the picture in too sharp a contrast. Not all of our native originations have been good, nor all of our foreign borrowings bad. Nevertheless, a careful study and appraisal leads me to conclude that we are warranted in attributing our major national successes to the energy and common sense of the native American stock, reinforced by many true "converts" from other countries. They have erected a new, a different and, in many respects, an improved civilization upon this continent. They have carefully adapted themselves to our peculiar situation and have taken full advantage of our favorable conditions. They have worked with patience and perseverance and without false illusions.

They have, above all, built practically rather than according to a theory. In spite of the excellent results which have been obtained by its use, we are now being coaxed to forego this well-tried and very American method of procedure and to adopt,

in its place, the undemonstrated theories and the renovated antiques of a declining and despairing Europe. And, for some time past, this coaxing has been increasingly effective in diverting our development from the old channel, however unconscious we may have been of that fact. At long last, however, the fundamental question before this generation has now become clear cut. Shall we follow Europe or resume the American way?

Independence from foreign ideas

A CENTURY and a half ago our first great national issue arose. It was decided when we declared and then secured our political independence and began our career as a new nation. This enterprise was undertaken because of the firm convictions of an aggressive but small minority who aroused the majority of their fellow-countrymen and, against the opposition of a great party of "loyalists," carried it to a successful conclusion. Today, again, the issue is independence—this time moral rather than political; again there are among us many "loyalists"—this time rendering their allegiance to foreign social philosophies rather than governments; again the leadership must be undertaken by a minority and the majority must be aroused to make the decision; again we require a clear declaration of the principles upon which our enterprise has been and is to be conducted. It is time for a second Declaration of Independence. It is time for us to shake off the domination of foreign ideas, and to resume our own methods and our own goals—our old way of working out and thinking out our problems and our old social philosophy.

To return to that philosophy is not reactionary. For to it we largely owe such progress as we have made to date. Moreover, that philosophy does not define a condition; rather it defines a direction of movement. The American way is a way that is always new because it leads neither to the "right" nor to the "left" but forward.

EDITOR'S NOTE: The author has developed his thesis at full length in his book "America's Destiny" published by Wittlesey House, N. Y. It is his reasoned belief that the foundation source of American social progress may best be described as an inclination toward the leveling up of society. This tendency, he believes, is the native answer to the current and widespread European programs for leveling society down. Such a force he regards as a new kind of equalitarianism with no savor of paternalism. It does not restrain those who have made their fortunes; it only permits others to succeed also, but it "is a sharp contrast to the spirit which has pervaded older human societies, where the tacit but unanimous desire of those on top has been to keep the underdog under."

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and other American Whiskies, and Liquors

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California Olive Association

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Transitorq

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and a flair for discovering profitable details in his business

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What Would Sanctions Mean to Us?

(Continued from page 34)

vors are involved, such as vanilla, for photographic chemicals, for many insecticides and germicides, and for a part at least of the ever-lengthening list of synthetic resins and plastics.

Coal-tar chemistry affords the best example of how science can separate, from an unpromising crude, elements which become starting points in elaborate technology. They have offered the perfect answer to what a country can do, and yet the possibilities are far from exhausted.

The field of nitrogen

CLOSELY associated are such feats as producing fixed nitrogen from the atmosphere in the form of ammonia. More than that, this field of investigation has given rise to a number of other lines of research in high pressure, high temperature technic. These have brought us methyl or wood alcohol from carbon monoxide and hydrogen, ethyl or grain alcohol synthesized from ethylene, one of the gases derived cheaply and in abundance from petroleum, and opened the way to higher alcohols and other compounds of industrial importance, not to mention a great variety of unusual solvents.

In fact, the fixation of nitrogen has become so important as to lead to the erection of many plants with a world production far exceeding normal needs, but nevertheless regarded as vital to national defense and consequently a necessary adjunct to home equipment.

In Germany the hydrogenation of coal for the production of petroleum-like bodies such as gasoline, lubricants, and paraffin, is regarded as a commercial success and similar methods are now being practiced in Great Britain, largely as a factor in national defense and independence. This same line of research has been applied to our petroleum. The extensive development of rayon in many countries gives a large measure of independence from natural silk, and chemical fibers made by somewhat similar processes have given rise to artificial wool in Italy, to a substitute for cotton in Germany, to artificial horsehair and products like Cellophane and Visking sausage casings which, to a degree, were modifications of the process.

Further work on cellulose has produced at least one balloon fabric where a selected textile is coated and impregnated with a solution of cellulose and rubber latex.

Another variation has given us a

variety of coatings like Duco for metals and other surfaces, bringing some independence of fossil gums, shellac, and similar raw materials found only in tropical countries.

Synthetic products would help

FOR many years Japan, thanks to the camphor trees of Formosa, enjoyed a natural monopoly. Then came synthetic camphor made from turpentine.

The Far East continues to supply the world with rubber. Although it is too much to claim that synthetic products have broken the monopoly enjoyed by the producers of natural rubber, they do offer dependable ways out, should we face a shortage in imports.

In any discussion of strategic raw materials, abrasives must be considered because grinding is an important step in manufacturing processes involving metal. Tungsten is perhaps the most prominent modern tool cutting material, though tantalum is also used. But tungsten is imported, so far as the United States is concerned, and its shortage might be serious.

However, 1934 saw a new abrasive developed, the hardest compound so far synthesized by man, and produced from such abundant raw materials as borax and carbon. The compound is boron carbide and, under a trade name, is being commercially offered.

Changes may be made in wants

FROM these examples, it appears that a nation can do much if it decides to increase its independence of outside raw materials. We have not even discussed the possibility of changes in ways of living which could be made if necessary, nor the extent to which the basic economy of a country might be altered to meet a dearth of raw materials. We have considered only how science can come to the rescue, including in that definition the natural, physical, and biological sciences and leaving untouched the part that the social sciences and the humanities might play.

Whether any country is wise to pursue such a course is another matter.

It would still seem that the world, rather than a country, should be regarded as the source of raw materials, as well as the market for finished products.

I Rise to Nominate . . .

(Continued from page 24)

tional thousand dollars. But what, you may ask, about those who are between the ages of 21 and 50? Fellow delegates, my candidate has not forgotten. He waits only to hear what others may promise, that he may promise even more. [A demonstration lasting six minutes. The chairman warned that, if the speaker was not permitted to proceed, the galleries would be cleared.]

And, moreover, he pledges himself not to be bound by any platform this party may adopt or any pre-election statements it may seem necessary for him to make. He's nobody's fool.

Moreover, in further preparation for this high office, my candidate has prepared biting phrases with which to brand those who believe that a workout is better than a hand-out. If he is elected, woe to the selfish interests which believe that this country's rise to world leadership was not accomplished by the use of card tricks, mirrors, and wishing bones. Woe to those who still declare that no magic formula can replace honest sweat on the farm, in the shop, or in the office.

And furthermore, my friends, my candidate has a radio personality which makes Rudy Vallée sound like a cat fight in a sawmill.

Given 15 minutes on the floor of this chamber, he could prove conclusively to this august assembly that two and two is not necessarily four if the best interests of the party require it to be five. He could prove that in this New Age the old copy-book maxims, "Haste makes waste," "A penny saved is a penny earned" were merely the propaganda of the selfish.

He would teach you that the law of supply and demand must be repealed, even if it requires a Constitutional Amendment, to the end that production may be decreased and prices to the consumer lowered.

He would convince you that radio entertainment is superior to statesmanship, that pulling rabbits out of a hat is the way to pull the country out of depression.

[Cries of "Who is he?" "He's the man for us." "54-40 or Fight" and "Waco."]

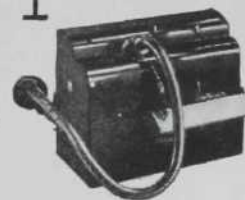
And so, my friends, I place before this convention the name of . . .

[Unfortunately, the official reporter missed the name of the candidate which was drowned out by cries of "Second the nomination," "Atta boy," "Down in front," and shouts of "Aye" as the nomination was made unanimous.]



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Prodigal Fathers

By J. L. SOWERS

ON A recent business-seeking trip that took me over several miles of typical and glorious mid-western country, I came up behind an old rusty 1927 model automobile driven by an elderly man. With him was a woman of similar age. Over the rear license tag was another metal tag of about the same size—on it these words:

"Financial Freedom—Back the 1936 Townsend Plan."

In the rear window was a sticker: "Old Age Revolving Pensions."

Across the front of a building in the next town a great banner waved "Welcome to Big Townsend Meeting Tonight."

I stopped and chatted with some people. I went on to the next town, and stopped again. I visited some farm homes. The theme was "Townsend." The order of the day, among the elders, was to sign the "petition" as they called it. Their hopes were high, their expectations beyond belief. There were 21 Townsend clubs in that one county.

Gold in the Yukon . . . yellow gold . . . come and get it . . . it's waiting for you! . . .

Only this time it is not the stout and strong, the hale and hearty, the youth and flower of the nation who are going after it. And it isn't exactly the Yukon brand of yellow metal. It is, at the best, "paper" wealth—and those who seek it are the elders of the land.

I settled down to the mere routine of "making a call" and attempting to get some business. What I got was a good idea of what the younger man in business thinks about all this financial freedom for the frail and feeble, the aged and ailing.

Said the first young man, "I believe in some sort of social security for the old folks and for those who need it. But I do not go in for this big pension stuff—especially when I am going to foot the bill the next 20 years."

Another young man said, "I am against my own father in this issue. He can come and stay with me, eat at my table, live with my family. Or I will give him whatever aid I can, such as it may be, but if he and mother can get \$200 a month each they can help me out!"

In a hardware store another young man in hunting garb was buying some shells.

"Dad said he used to kill 300 ducks in three days," he complained. "Now I can have ten—if I can find that

many. And yet they want us (motioning to a young group standing about) to give them \$50 a week. Why, grandfather has told me of killing a buffalo just for the tongue."

"Who sent me to war before I could even vote?" protested another.

Who devastated our forests? Who polluted our streams? Who destroyed our once abundant supply of game? Who created this great industrial civilization that has almost crashed about our ears? Who were done out of their money in a stock market of their own making and by men of their own age? . . . Numerous such simple, honest questions boomed in many a town and village, as well as in the metropolitan centers.

Reasonable help will be given

THE sons do not object to giving, willingly, the aid that the aged and ailing should have. Strike this subject and you strike a responsive chord—a chord very close to their hearts. But, carry it farther and you get discord.

Carry the inquiry on into the homes of the folk who hope to benefit from the plan and you will find all sorts of odd schemes for spending the money.

Not a few are planning to assist their own married children—buying things for them, passing on under some guise or other any sum they may not need themselves. Consider the possibilities of this course.

For instance, if the elders passed on to their children and grandchildren any funds received from the Townsend plan in actual practice, it would be just another "revolving" pension—Government to elders, elders to children, children to Government, Government back to elders, and so 'round and 'round the Mulberry bush! And, by the time it got around the circle, none of the Townsendites seem to have figured any depreciation on the original sum.

The young business man's attitude is far different from that of the older man who has, in the main, already made his fortune or established his business. At the best, the older man will be around, actively, for ten years. The young business man faces an era of from 20 to 30 years any way he can figure it. He thinks fortunes are not going to be made so quickly and easily as they once were. He knows the world is different from what it was when his father started in business. He knows there are many ills—social, economic and political—that need attention. He is, if honest conversations are any indication, ready to meet and wrestle with them. But \$200 a month pension to all his elders is a stickler. Are our fathers Prodigal Fathers? Have they squandered their

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substance, wasted untold resources in a land of plenty, and are they now trying to turn a smooth cheek to the issue, and by sheer force of numbers put themselves on somebody's pay roll for what many young men today would consider a good salary—and let the future take care of itself? Or are they just being swept off their feet by clever orators and organizers?

The young man in business thinks all or many of these things. Will

these Prodigal Fathers ask for bread and receive a stone? No! But they will not get what they are asking for, to the point of disrupting that great American institution called "family." Ask the young man in business who will be paying tomorrow's pay rolls and taxes! He wishes devoutly to honor his father and mother. He will give bread and shelter and love and care—but not an exorbitant pension based on a compulsory spending spree!

Research—Yeast of Business

By HERBERT V. KOHLER

Executive Vice President, Kohler Co.

OUR American economy depends upon private initiative for its advancement.

A planned economy, by definition, does away with private initiative, substituting imposed rules. This works tolerably well in fields such as the postal service, where routine is important; but it does not make for development.

It is true that progress occurs from time to time in certain fields of government operation; but it is almost invariably by adoption—often reluctant adoption—of ideas and facilities which, except for private initiative, would never have existed. Government established air mail; private initiative, however, invented and improved the airplane, modern flying technique and equipment. The military services have highly advanced means of transport and communication; but how many of these advances—turbines, gas engines, wireless—were originated by Government?

Business free to develop

"FIVE-SIXTHS of all the wheels that turn on this earth are in the United States," W. J. Cameron, of the Ford Motor Company, has said. It is no mere coincidence that in the United States private initiative, before the New Deal, was least fettered, and that here the average man has lived more comfortably than the well-to-do in most other countries.

We know that Government did not set many of those wheels going. More to the point, Government never would or could set them going; because it would lack the initiative and, under a planned economy, it would prevent the individual from having the incentive.

The New Deal, except where

checked, as by the Supreme Court, is moving rapidly toward such a "planned economy." In view of what has been done to agriculture, the meddling in the industrial field, and such government-in-business projects as the TVA, the trend is unmistakable. Moreover, one measure of regimentation almost compels another, as when cotton control and wheat control resulted in passage of a measure for potato control.

There is more than suspicion that some of the New Dealers do not want the American system to function successfully. Shorn of the power of initiative, it cannot so function. To paraphrase Lincoln, this nation cannot live half regimented and half free.

It is pertinent to make a comparison between the New Deal procedure and scientific research. The New Deal has invited such comparison by parading its "experimentation," its "yardsticks" and "blue prints," its professed purpose of putting economic activities on a controlled, "scientific" basis.

The scientist sets a definite objective. The New Deal at any given time professes to have objectives; but they are shifting objectives. And the results of many of the experiments tend to nullify each other. Examples are numerous—paying bounties to take land out of production while carrying on projects to reclaim more land; paying the farmer bounties which boost the worker's cost of living, and at the same time trying to adjust the worker's hours and wages with the inevitable result that whatever the farmer buys costs him more.

Such conflicts and confusions the scientist avoids by setting himself relatively simple objectives and dealing with only one variable at a time. The New Deal seems to have nothing

but variables. With many experiments going on simultaneously, naturally it is impossible to check the results and see, with any certainty, what factors have produced them.

The scientist studies the foreseeable factors. The New Deal, by contrast, settles people in Matanuska, where they will be handicapped in marketing their products. Subsistence farmers, who supposedly are to rely upon industrial employment for a large part of their income, are put where there are few industries, or none, capable of providing them jobs. The New Deal takes acreage out of production of one crop, and then finds that the land is being used to grow other crops.

The scientist recognizes facts. Under the New Deal planned economy, facts not only are blinked, but are deliberately misrepresented or glossed over by propaganda. The information and arguments offered the farmers in the recent corn-hog election were wholly one-sided. How much information was given them about the destruction of their export market, and the menacing increase in imports of foodstuffs and other agricultural products?

Propaganda of this sort is the death ray of independent thinking and initiative. It is so intended. Its purpose is not to deal with facts, but to suppress them and to suppress criticism. This is a fundamental defect of all government planned economy. Moreover, it is seemingly an inherent defect.

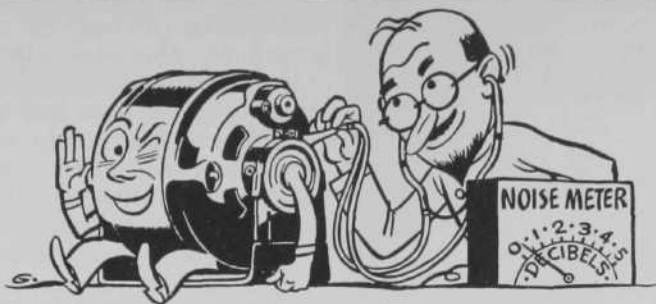
Cutting down production

THAT government "economic planning" is actually *uneconomic* and paralyzes initiative is clearly apparent in the agricultural field. In the face of the fact that national income results only from production, the New Deal restricts production, yet is content that farmers in undiminished numbers remain on the land, subsidized at the expense of all consumers. It even settles more people on land to raise produce for their own use and for the market. It takes the public stand, at election time, that the farmer's problem is not to be solved by destroying his foreign markets, but then proceeds not only to destroy them but to create a condition where foreign farm products have to be imported.

The New Dealers are wide open to censure:

First, because they have tried to apply a type of planning in fields where it cannot work without destroying our American economy;

Second, because this planning has been badly done and is itself planless, haphazard, and self-nullifying.



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While our American economy has its faults, it has in contrast to "planned economy," this cardinal virtue, that it is not static, but dynamic. Its purpose has been to encourage initiative in constructive directions and to curb it when it was being wrongfully exercised.

Actually the most serious complaint against our American economy is that it has been so dynamic, and has progressed so rapidly as to make it difficult and painful at times to adjust ourselves socially to the changes that have taken place. One of these difficulties has been technological unemployment. There would be unanimous agreement that the suffering which the industrial revolution occasioned a hundred years ago, particularly in England, should not be allowed to repeat itself in our own country and time. That is no argument, however, for regimentation of industry. In fact, free industry offers the one means of solving the problem in the long run.

Workers have bettered themselves

IN 60 years of our greatest mechanization, up to 1930, the gainfully employed increased from not quite 31 per cent to more than 39 per cent of the population of this country. Meanwhile, the share of national income going to workers and swelling their purchasing power has been steadily on the increase. At the same time, growing efficiency in production has brought within the means of the average person goods and services, scarcely dreamed of a generation or two ago, for making work easier and life more interesting and secure.

In other words, while there is research in creating labor-displacing equipment, there is vastly more research resulting in products which both benefit the consumer and make jobs for increasing numbers of people.

A planned economy quite possibly would rid this country of growing pains—by halting growth; but it is to be feared that it would result in pains of privation much more serious—and permanent.

Outstanding at the present moment is the recovery that is taking place in the motor car field, with resultant benefits to other lines of business. This recovery is attributable to improvements in cars—in their comfort, safety and attractiveness and the merchandising of these improvements.

Research supplies the yeast making for economic progress and, in our present situation, for recovery. It is the first line of defense against an uprooting of our whole system and a permanent depression of the American standard of living.



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Industry Looks Toward Texas

THE Texas Centennial Exposition, culminating feature of the Texas Centennial Year of 1936, will be held in Dallas from June 6 to November 29. Scaled to world's fair proportions, the Exposition assumes an important position in this year's events because of its social and economic significance, in addition to its historical background.

Fifteen million dollars from four sources will finance this first large exposition in the Southwest. Federal, state and city governments have allotted funds, while the Exposition Corporation has obtained additional sums from the sale of bonds to individuals and business organizations.

The site of the Exposition will be the greatly expanded and remodeled State of Texas fair grounds, which, for the past ten years, has annually drawn an attendance of a million in the course of its two weeks' run.

Exposition officials, headed by W. A. Webb, former railroad executive and for ten years commissioner of the Australian Government's railroads, estimate attendance at the Exposition at ten million. Approximately 12,000,000 people live within a 400 mile radius of Dallas. More than 50 exposition palaces will be devoted to various kinds of exhibits.

Many spaces reserved

COMMERCE and industry have signified their interest in the Southwest market by already reserving more than 60 per cent of all available exhibit space. Major automotive, foods, communications, oil and utilities corporations have been signed thus far with several leaders in the various fields planning their own structures.

The general theme of the Exposition will be historic with the intention of graphically depicting the development of Texas since 1836 when the Republic of Texas was founded after a revolt from Mexico.

Texas became the twenty-ninth state of the union in 1845. The many buildings of the fair will interpret the spirit of the Southwest, blending the architectural designs of the primitive cultures of the new world with more ornate influences of the old.

In addition to the commercial exhibits there will be the Texas Hall of State, now under construction at a cost of \$1,200,000, and the Federal Building. The former will house historical relics, records and displays of

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Condensed Statement, December 31, 1935

RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers	\$ 620,600,525.90
Bullion Abroad and in Transit	14,960,217.00
U. S. Government Obligations	474,466,017.17
Public Securities	49,281,788.62
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities	23,825,671.21
Loans and Bills Purchased	592,238,793.76
Items in Transit with Foreign Branches	2,112,677.12
Credits Granted on Acceptances	37,352,025.40
Bank Buildings	13,547,352.39
Other Real Estate	337,581.50
Real Estate Bonds and Mortgages	2,990,698.74
Accrued Interest and Accounts Receivable	7,920,513.65
	<u>\$1,847,433,862.46</u>

LIABILITIES

Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	7,398,411.72
	<u>\$ 267,398,411.72</u>
Dividend Payable January 2, 1936	2,700,000.00
Accrued Interest, Miscellaneous Accounts Payable, Accrued Taxes, etc.	15,076,421.38
Acceptances	\$71,334,590.24
Less: Own Acceptances held for Investment	33,982,564.84
	<u>37,352,025.40</u>
Liability as Endorser on Acceptances and Foreign Bills	8,840,400.00
Agreements to Repurchase Securities Sold	2,135,441.00
Deposits	\$1,485,303,641.18
Outstanding Checks	28,627,521.78
	<u>1,513,931,162.96</u>
	<u>\$1,847,433,862.46</u>

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W. PALEN CONWAY, President

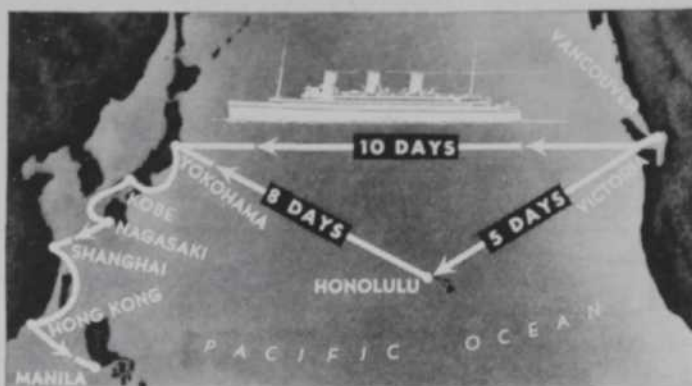
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nect with an *Empress* at Honolulu if you sail from California ports. Orient fares include passage to and from Seattle. Low all-year round-trip fares . . . marvellous First Class, and Tourist Class equal to First on many other ships. Low-cost Third Class on all *Empresses*. All-expense tours.

• See YOUR OWN TRAVEL AGENT or Canadian Pacific: New York, Chicago, San Francisco, Washington, 33 other cities in the United States and Canada.

"By Canadian Pacific Empresses"

MORE BUSINESS... BUT LESS REVENUE

Aggressive merchandising activities and improved industrial conditions have resulted in a greater use of electricity than ever before by customers of the Associated System. The average domestic customer used 31 kilowatt hours more in the first ten months of 1935 than for the same period of 1934. Electric output increased over 6 per cent, and gas output over 4 per cent for this ten months period over 1934.

Nevertheless, net revenue is less, due to increased taxes, rate cuts and the higher cost of doing business. Taxes have increased 65 per cent from 1930 to 1934. Operating expenses including fuel costs for the twelve months period ending October 31, 1935, were 7.4 per cent higher than the same period in 1934. Accounting and legal expenses necessary to comply with new Federal and State regulations will mean increased expenditures.

To offset these drains on revenue, even more aggressive merchandising activities will be put into effect in 1936.

ASSOCIATED GAS & ELECTRIC SYSTEM



Texas natural resources. The Federal Building will contain exhibits from departments of the Government.

The Government is also erecting a building devoted to negro life and culture, the first time the Negro race has ever received formal recognition at a world's fair. There will be an art museum, natural history museum and other buildings of a similar nature.

A large amusement area will take up a portion of the grounds while the 47,000 capacity stadium will be used for major sports events, rallies and mass meetings.

The Exposition's special events program will include addresses by President Roosevelt and other national figures, grand opera, rodeos, state days and other attractions.

The Farm's New Day

(Continued from page 28)

sumers can buy at existing prices. At the same time price is a prohibiting barrier to the industrial use of many farm by-products. The quantity of cornstalks and straws annually produced in this country is several times that required to make all the paper and paper board now manufactured here, and there is no particular technological difficulty in making paper of various kinds from any of these materials. However, it is now cheaper to buy Canadian wood-pulp and rags from Japan.

American industry wants to buy from the American farmer because it knows the farmer, with money, will buy more from industry. But if farm products and by-products are to be consumed to the maximum they must become cheaper. If they are to become cheaper, farming must become more efficient and be relieved of at least a portion of its tremendous losses. So, taking this long-range view, such great corporations as Standard Oil, Ford, du Pont, International Harvester, and others are today making the farmers' problems their own. New insecticides, new fertilizer, new methods of combating plant disease, more economical methods of production on farms, all designed to cut the huge farm loss, are today the subject of intensive inquiry in their laboratories. The shock-troops of industry have been sent to the farm front—and standing elbow to elbow with them is an enormous army of skilled and practically experienced men such as has never before assembled for the scientific assault upon a problem. Entirely apart from what industrial corporations are spending on agricultural and kindred research, the states and the

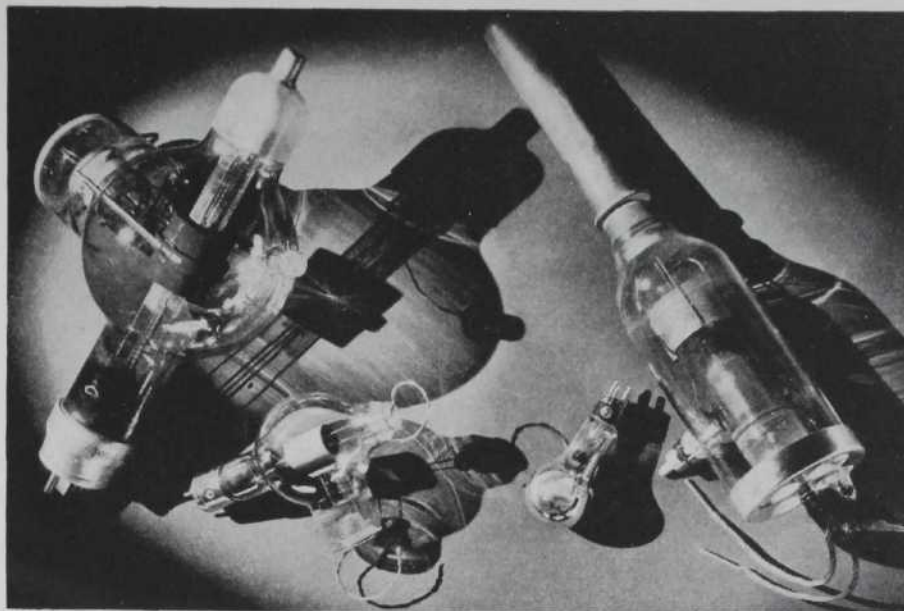
Federal Government are now spending more than \$25,000,000 yearly. In addition, our colleges and private research foundations are spending a huge sum. Projects for soil erosion prevention, flood control, drainage and irrigation, land clearance, and what not have become gargantuan. The effort has become that of a major national war, with even the man on the street discussing with more or less intelligence the "farm problem."

Onto our farms, too, has been moving a new type of farmer—college trained, fully alive to the difficulties inherent in his job and confident of his own ability and resourcefulness to cope with them. He is not wedded to tradition—on the contrary he is itching to blaze new trails. The "hick" is vanishing from the farm—the very stringencies that make the farmer's lot economically unpleasant are weeding out the incompetent and the unfit. It is a slow and a painful process, many are being hurt by it and more will be, but each year the brain efficiency of the American farmer is being pushed up a notch.

Farming may be far different

THIS new agriculture may be something vastly different from the agriculture we have known. The crops of today may not be those of tomorrow. For example, sugar that is said to be far superior to cane and beet sugar can be produced from the common dahlia and the readily grown Jerusalem artichoke. We are only beginning to learn about proper diet; what is now a common weed may be tomorrow's wheat crop; initial phases of the processing of certain raw materials that go into manufacturing may be transferred to the farm and further mechanize it beyond present dreams.

But, whatever the nature of the new farming, all the signs point conclusively to the augmented importance and influence of the agricultural engineer. More than ever he will be the emissary carrying the change from factory and laboratory to the managers and workers of the land. It will be his job to see that, as the factory demands, the farm produces. Large scale use of farm products in manufacturing may even mean the concentration of certain crops in certain areas, not only best adapted to the growing of those crops but to simplify their orderly assembly and transportation to the factory. Some of the most formidable problems involved in the industrial use of crops are engineering problems, purely and simply. No, the golden era of agriculture is not behind. Already the rooster of change is crowing in another and a better day.



JUST TUBES

ONLY strange shapes of glass and metal! Yet it's the electron tube that gives radio its tongue, that brings to your fireside music played a thousand miles away.

It's the electron tube that leads ships through fog, guides airplanes through darkness, peers unwinkingly into white-hot crucibles, directs the surgeon's knife, and is becoming one of the greatest weapons against disease.

It tests the safety of castings and welds, matches the color of dress goods, and unerringly detects manufacturing errors that the human eye cannot discern.

A few years ago, it was only a laboratory device. Today, it is weaving an invisible network of service about man's daily life. Tomorrow, it will do things that were never done before.

Continual development in electron tubes is only one of the contributions made by G-E research—research that has saved the public from ten to one hundred dollars for every dollar it has earned for General Electric.

96-180D1

GENERAL ELECTRIC



HULL AUTO COMPASS

Have you ever taken the wrong road and driven many miles before discovering your mistake? This new AIRPLANE TYPE COMPASS constantly tells your direction of travel. Sticks to windshield. Size 1 7/8" diameter. ONLY \$1.95 POSTPAID, including Compensator. SATISFACTION GUARANTEED.

If your dealer cannot supply you, order direct.
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World Famous
National history makes the background—modern perfection in hotel life makes the foreground at
The
WILLARD HOTEL
"The Residence of Presidents"
Washington, D. C.
H. P. SOMERVILLE, Managing Director

GET MORE BUSINESS ...Use Post-Card Ads!...

Now you can illustrate, print and address the cards yourself—all operations—on a simple little machine called the

Elliott Cardvertiser

Uncle Sam furnishes the penny postal cards... you have no cuts to buy or type to set. Businesses of all kinds—Retailers, Manufacturers, Wholesalers—are rapidly discovering the big results from post-card messages sent to customers and prospects. Cardvertiser models from \$60 to \$150.

Write on business stationery and receive sample cards for your line.

THE ELLIOTT COMPANY
155 Albany St. Cambridge, Mass.



Notice to our 62,000 stockholders

Dividend* of 45 cents per share will be paid on no-par common stock February 15, 1936, to stockholders of record 3:00 P.M. January 27, 1936, without closing the transfer books.

J. S. Prescott, Secretary

*56th Dividend

Among the products of General Foods are: Maxwell House Coffee—Post Toasties—Grape-Nuts—Postum—Post's 40% Bran Flakes—Baker's Premium Chocolate—Swans Down Cake Flour—Diamond Crystal Salt—Calumet Baking Powder—Baker's Coconut—Sanka Coffee—Jell-O—Minute Tapioca—Grape-Nuts Flakes—Log Cabin Syrup—Certo—La France—Satina—Baker's Cocoa—Post's Whole Bran.

GENERAL FOODS

250 Park Avenue, New York City



For Managers and Employees Alike

MANY Nation's Business articles deal with problems and policies that every manager would like to have his employees understand. These articles have been reprinted in booklet form for redistribution in pay envelopes, racks, by mail or otherwise. Some of these in stock include:

What the Constitution Means to the Man in the Street by John W. Davis

Don't Copy Germany's Mistakes

What the Constitution Means to the Citizen by Judge Maxey

New Labels on Old Bottles

Where Your Job Comes From

Price, Two cents each

NATION'S BUSINESS • Washington, D. C.

The "Plight" of the Railroads

(Continued from page 20)

rates on its mails, troops and supplies. It created a taxpaying transportation agency which contributes largely to the support of schools, roads and government generally; and, above all, it helped to create the genuinely economical transportation which this continental nation must have.

Aid to early railroads by states and local governmental subdivisions usually took the form of extensions of credit, of loans secured by a retained lien, or of purchase of stock. In other words, the aid was investments, not gifts. Today's aid to railroads by the Federal Government, it might be added, is not a gift. It is in the form of loans secured by acceptable lien collateral. The total amount of those loans, incidentally, is less than three per cent of railroad capital or valuation, and is only about half the total of governmental loans to railroads at the end of the war period. And more than 95 per cent of those earlier loans have been repaid, with a handsome profit in interest besides.

Public help for transport

IN contrast to this policy is the aid so liberally extended to other forms of transport today, without expectation or intention of repayment, and without the merit of creating truly economical transportation where none existed before.

Governmental gifts to the users of inland waterways are sought to be justified as creating "cheap water transportation." It is cheap for a limited number of users, mostly industrial concerns which do business in a volume which justifies them in building and operating their own private boats and barges. On the waterways we have the anomalous situation of the bounty of the Government giving large shippers a transportation advantage over their smaller competitors who must depend upon common carriage. "Cheap" for a few users, inland water transportation is dear in its total costs.

Like that by water, transport by air is not even expected to meet its own costs. Cities build most of our airports; the Federal Government provides the 20,000 miles of airways, equipped with lighted intermediate landing fields, beacon lights, radio direction beams, special weather reporting services with continuous radio broadcasting and 11,600 miles of automatic telegraph-typewriter service—and then, having done all that, pays to the air lines flying the mail

nearly twice as much as it receives in air mail postage, and itself assumes all the cost of handling the letters at both ends. The air passenger enjoys the bounty of the unwitting taxpayer.

There is an effort to collect from the vehicles which use them some part of the cost of providing the highways. But these taxes, for the most part, are not true taxes. They are for the most part contributions from a specific class of property or business specially earmarked to be used only for the special benefit of the payer.

All these forms of transport are relieved of the burden of finding the capital to construct the ways they use. Out of each dollar of gross railroad revenue, on the other hand, nearly 27 cents goes to meet the capital and maintenance expenses of providing their ways; and on that way and their other property, railroads pay more than seven cents out of each dollar in true taxes.

I mention these inequalities not in the spirit of complaint but because they are an essential element of the situation, a part of the conditions under which railroads have to live, a part of the background against which they have to consider the various recommendations for their improvement. Railroads are not merely standing at the wailing wall and crying for help from the outside. They have seen their business drop by about half during the depression and have been able to bring down their operating expenses in nearly the same proportion, with an actual improvement in their standards of safety and service. What that means as a feat of managerial efficiency is hard to realize unless one understands the great importance that volume of business plays in railroad income results. Gross operating revenues in October, 1935, were 16.4 per cent greater than in October, 1934; net income, after payment of operating expenses, taxes, interest, rentals and all other charges, was 460 per cent greater.

The railroads, through the remarkable reductions in operating cost achieved since the war period, have put themselves in position to profit substantially from even modest gains in gross revenues. This was not accomplished by striking and revolutionary departures. It is the result of sound evolution, of a multitude of improvements in plant and methods, mostly inconspicuous, with the total effect in the past 15 years of a reduction in the actual cost of moving a ton of freight one mile from nearly 11 mills to less than seven mills.

What are the next steps along that

line? What can the railroads do for themselves, and what are they doing? Most frequently mentioned, perhaps, is what is called competitive waste. The problem of getting rid of waste without getting rid of the healthy benefit of competition is not easy and simple. Projects of unification, involving the welfare of communities and men as well as railroad companies, are not waved into being by a magic wand.

Coordination of that sort requires study, close and detailed, study applied to particular situations. Even after the study is complete it may require a good deal of adjustment and compromise. In that spirit the railroads are working on specific projects for a fuller cooperative use of the railroad plant and facilities.

A change of major importance, already put in effect for the entire country, is the average plan of settling car hire balance between railroads. Inaugurated on May 1, 1935, this plan has substantially reduced the movement of empty box cars both on the road and in terminals, with real savings.

Railroads are modernizing

PROPOSED about as often as coordination is modernization. The achievements of the past 15 years in operating efficiency are due largely to the great program of modernization and improvement upon which the railroads embarked in 1923 and have since continued. In its earlier stages this program dealt with the fundamentals of track and bridges, sidings and signals, grades and curves, new and better power and cars. It created a plant which could do more work for less money, which not only cost less to operate but less to maintain. To take just one item, railroads today could do a given business with 300,000 fewer cars than would have been required to handle the same amount of business in 1923. Cars move faster and do more work.

But that great program failed, until recently, in one important particular. It lacked showmanship and popular appeal. The economics of reducing a ruling grade or installing creosoted ties where untreated wood was used before is important but it does not draw public interest and appreciation as do the new developments in passenger equipment, the air-conditioned cars with their new interiors, the stream-lined trains, the new-type steam, Diesel and electric locomotives.

Another proposal frequently made goes not to operations but to the cost of the capital invested in the business. It is asserted that railroad capital charges are too high, and that

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OFFERS A TIMELY SERVICE

TO HELP EMPLOYERS OBTAIN DETAILED INFORMATION ON INDIVIDUAL EMPLOYEES' PAYROLL AND EARNINGS RECORDS

As you face new requirements for information about the earnings and deductions of individual employees, why not take advantage of Burroughs' study of this subject? This timely information, together with recent machine developments, may save you much time and money.

Burroughs offers many new styles of machines for handling this work in large and small concerns. Among these are machines which compute the earnings, and prepare individual earnings record, payroll sheet, pay check or pay envelope, all in one operation. They also automatically accumulate such statistics as hours, earnings, various deductions, and net pay for any period. In fact, much of this information can be obtained as a by-product of the regular work of these machines.

To learn how Burroughs has helped other employers—and how your problem can be met with minimum change in equipment and at the lowest possible accounting cost—phone the local Burroughs office. Or, if more convenient, mail the coupon for our special folder and other information on payroll and earnings records. Burroughs is glad to extend this timely service to you without cost or obligation.

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SERVICE
BEYOND THE ORDINARY
it's a hobby at
HOTEL LENNOX
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The Lennox realized long ago that it takes more than the *usual* standard of service to endear a hotel to its guests. So the Lennox has made a habit of doing the *unusual*. If it won't spoil you to be coddled and pampered, you will enjoy discovering the full meaning of the word service, Lennox style.

Fine Food is part of the good service

RATES

\$2.50 to \$6.00 Single

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Over 50% of the Rooms Rent for \$3.50 or Less



WITHIN ONE BLOCK OF HOTEL MAYFAIR
UNDER SAME MANAGEMENT

railroad health can come only after they have been scaled down. Where such scaling is necessary in individual cases the ordinary processes of the courts will bring it about but by no standard can railroad capital charges in general be termed too high. After the expenditure of nearly \$200,000,000 in valuation work, it is now conceded that on the whole there is no water in railroad capitalization.

It is often said that railroads should have been reducing their indebtedness rather than expanding their plant and properties. The railroad business has been regulated for half a century, with surplus earnings narrowly restricted even in good years.

Facilities have been improved

THE country has grown rapidly, demanding increased and improved railroad facilities which required continuing investment. Viewing the situations that existed from time to time, with the information before them, railroad management used their best judgment as to the improvements to make and the methods of raising the money to pay for them. No doubt there were mistakes—it is always so much easier to know how things should have been done than how they should be done—but, in the main, railroads have been prudently financed.

Take the situation most often mentioned, perhaps, the sums spent on additions and betterments necessary to handle the nation's business back in the 1920's. The idea that the railroads as a whole recklessly and improvidently loaded themselves with debt to provide facilities which they did not need will not hold good. Additional facilities which were needed were created at a cost of more than \$7,000,000,000 with an increase in railroad debt of only about \$1,333,000,000. Certainly that was no great increase in debt as compared with the improvements which made possible better service at lower cost.

Wages, of course, are an important factor in any estimate of the railroad situation. In 1916, 1,647,097 employees worked an average of 3,151 hours each, for an annual wage averaging \$891.61. In 1934, 1,007,702 railroad men worked an average of 2,376 hours each for an annual wage averaging \$1,507.74. There are possibilities of savings in all costs, including labor, in the various coordinations and improvements now under consideration or under way.

Railroads don't need coddling and don't want it. No sovereign remedy is needed to save them. They will save themselves under a public policy which allows them equal opportunity to share in the general development and recovery of business.

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"Farm families now ask for YOUR BRAND!"



SALESMAN:

"Say! Your business on our line is great. This order represents another fine increase—"

DEALER:

"Your product is certainly moving . . . when your company started advertising in farm papers, farm folks started asking for your goods by name . . ."

★ ★ ★

ADVERTISING to get business in the farm market is easy when you look into farm homes. Stop in at a few farm homes and ask what publications they have in the house at the time of your call.

In nine out of every ten farm homes you will find

the current issues of one or more farm papers. No other advertising media have this circulation in farm homes. And, certainly no other publications have such potent sales influence in farm homes.

That's why companies advertising in farm papers build preference for their brands in dealers' stores.

Alert dealers know this. They also know that the farmer is a better customer this year and are watching farm papers to see who is advertising and how.

Naturally they are not only *willing* but are *eager* to feature farm paper advertised brands in their window displays, counter displays and their own local advertising.

To sell your product in farm homes, *advertise in farm papers.*

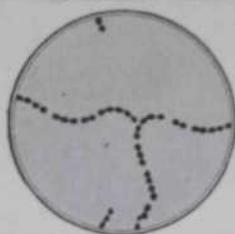
YOU CAN'T SELL THE FARM FAMILY WITHOUT *Farm Papers*

FARM JOURNAL
PROGRESSIVE FARMER
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WALLACES' FARMER & IOWA
HOMESTEAD
THE FARMER (St. Paul)

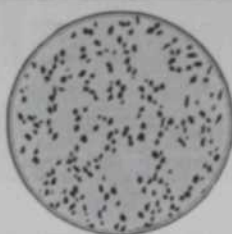
SUCCESSFUL FARMING
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HOARD'S DAIRYMAN
MICHIGAN FARMER
INDIANA FARMER'S GUIDE
PACIFIC N. W. FARM TRIO
(The Washington Farmer, The
Idaho Farmer, The Oregon
Farmer)

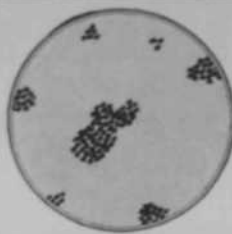
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KANSAS FARMER (Mail &
Breeze)
MISSOURI RURALIST
CALIFORNIA CULTIVATOR
MONTANA FARMER
UTAH FARMER



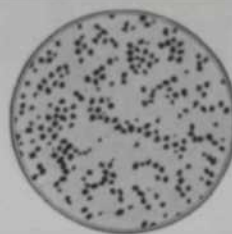
STREPTOCOCCUS
(Septic Throat)



BACILLUS INFLUENZAE
(Influenza)



STAPHYLOCOCCUS
(Impetigo)



BACILLUS BORDET-GENGOU
(Whooping Cough)

GermS of contagious diseases can be picked up by the Hands!



Protect

the users of your
washrooms with these
Hygienic Tissue Towels

WITH fresh, clean Scot-Tissue Towels in your washrooms, there's no possibility of spreading disease germs from user to user.

These sanitary towels are used but *once*—by *one person*—then thrown away.

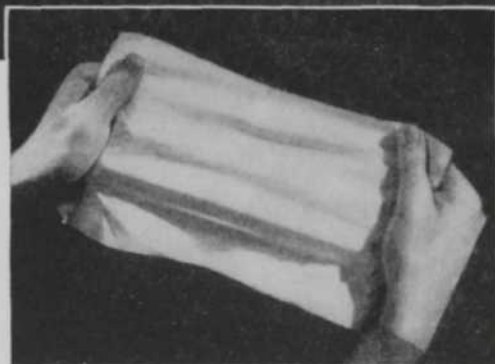
Made of "soft-weave" thirsty fibre, an exclusive development, Scott Towels are soft and cloth-like. And they really dry *dry*. Pleasant to use, too. Their extra stretch lets you dig deep into the creases of your face and hands.

And they take up an enormous

quantity of moisture. In fact, *one* ScotTissueTowel is usually enough to dry the hands—a very real economy in towel costs per year.

In more than 100,000 washrooms in office buildings, factories, schools and institutions, individual Scott Towels are protecting the health of washroom users.

Write today for a free trial packet. Address Scott Paper Company, Chester, Pennsylvania.

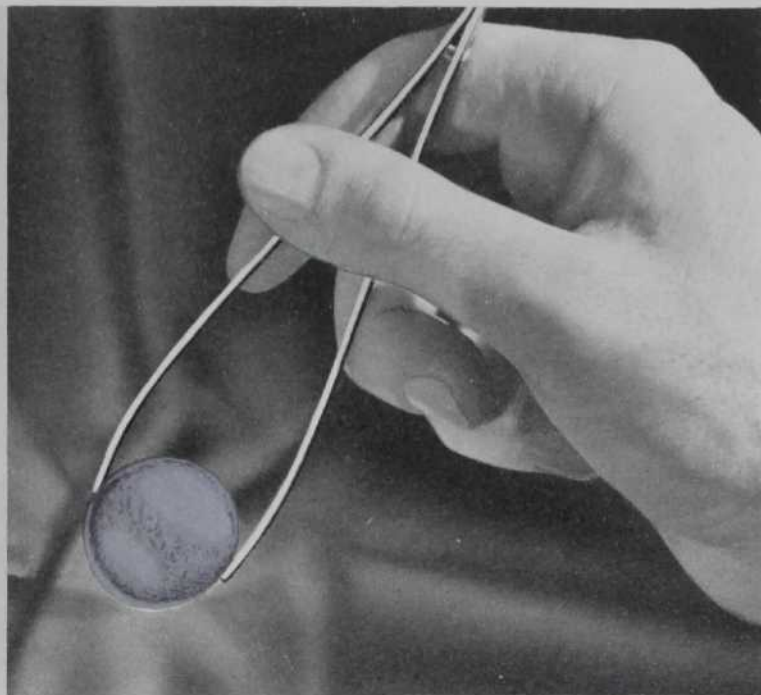


THE PATENTED S-T-R-E-T-C-H explains why the ScotTissue Towel *dries like cloth*—why it won't go to pieces in wet hands.

ScotTissue Towels

Used once—then thrown away

FIFTY FLEETING YEARS AGO



★ *A* lad of twenty-two held in his hand a little pellet of shining metal . . . the beginning of a new industry.

It was the morning of February 23, 1886, only fifty fleeting years ago. The scene, a woodshed in Oberlin, Ohio. The lad, **CHARLES MARTIN HALL**.

Every other place in the world, Aluminum was a semiprecious metal, a laboratory curiosity costing \$8.00 or \$9.00 a pound. But at that instant, in that woodshed, Aluminum had at last joined the rank of useful metals.

That hushed moment, with young Hall standing alone with success, was the climax of a feverish search. The inspiration had come from an off-hand observation by his Oberlin College professor, Frank Fanning Jewett, to the effect that the man who could invent a process for making Aluminum on a commercial scale would not only be a benefactor to the world, but would also lay up for himself a great fortune.

Hall's search had been an obsession. Much of his spare time after school hours was spent in dogged effort. But all the chemical knowledge at Hall's command was applied to no avail.

The flash of inspiration had come eight months after he had finished college:— Might not electricity hold the hidden answer?

Borrowing battery jars and plates from the school laboratory, investing meagre savings in a

small clay crucible, making other crude apparatus by hand, he fitted up a laboratory in the woodshed behind his father's house.

Everything ready, he melted cryolite in his crucible, dissolved in it some refined Aluminum ore, switched on his batteries, and waited . . . but still there was no Aluminum!

He pondered the problem. Did impurities in the clay crucible affect the result? A carbon lining would eliminate that possibility. He made one.

Again the experiment was repeated. Hall waited; he emptied the crucible . . .

There were the shining pellets!

Success!

Success that had eluded the efforts of the world's greatest scientists. Success in a woodshed laboratory!

But there were dark days to follow. Two different groups of backers gave up his process as profitless and impractical.

Not until the summer of 1888, when Hall made an arrangement with a group of men who formed The Pittsburgh Reduction Company (now Aluminum Company of America) was Aluminum given its chance to come into its own.

These men foresaw the basis for a new industry in this new metal, which was only about one-third as heavy as older metals, would not rust or tarnish from exposure, and which would conduct heat and electricity rapidly.

A FIFTIETH ANNIVERSARY MESSAGE FROM

A L U M I N U M C O M P A N Y O F A M E R I C A



Luckies

a light smoke

OF RICH, FULL-BODIED TOBACCO